

City of Biddeford
Finance Committee Meeting Minutes
January 21, 2020

The meeting was called to order at 5:00 p.m. by the Chair, Councilor John McCurry.

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 of January 7, 2020.

Motion by Councilor Ready to approve the minutes as printed, seconded by Councilor St. Cyr.

Vote: unanimous.

Motion carried 4-0.

The expenditure warrant was available for review and signature.

Discussion/Approval

Authorization/Appropriation of Funds for Summer Weekly Music Events in Mechanics Park

Motion by Councilor Ready to recommend the appropriation of funds for the Summer Weekly Music Events in Mechanics Park, seconded by Councilor St. Cyr.

Discussion: Councilor Ready asked about the private sponsorship. Councilor McCurry noted it is not the same, this is brought forward by Councilor Lessard to have another night of music in the Park. Councilor St. Cyr noted there is other money and is not in support it coming out of the Contingency Fund.

City Manager, Jim Bennett, explained the item noting this would be an augmentation to do a similar approach to what the City did with the flowers. He recommended they treat this the same way they treated the money for the intern and the summer help and not authorize the money to be spent. Authorize it to go into a Reserve Account.

Vote: all opposed.

Motion failed.

Sewer Rates Discussion/Presentation

Finance Director, Cheryl Fournier, gave a presentation with a little history on how the City got to the sewer rates and wanted to discuss now on the process and roll it the Council to make a decision. For about 10 years we were not meeting the budget expectations due to the double counting of the units for backouts, which was one of the biggest pieces. Wastewater owes the General Fund about \$2.6 million down about \$600,000.00 from FY18 which is a positive trend.

We did a 7.5% increase in the FY2020 budget. We discussed we would need a total of 12% and do it in a 2 year period. The intern did a lot of the auditing over the summer. Cheryl went over how many residential and commercial properties are connected to our sewer system, noting that changes every day. Some are billed quarterly and others are monthly. The monthly are mostly commercial properties. The rate increases on average about .5 to 2% increase every year in usage. She did only a .5 and noted we might be above .5 this year. Commercial rates are about 12% higher than residential rates. We estimated we needed \$170,000.00 worth of addition revenue in this FY2020 budget. One big question was the multi-units, only 18 of the 2,284 multi-units are considered commercial the rest are residential rates. The usage of residential units is higher and we don't know why (20 to 24 % more). With the increases it keeps the residential multi-units at 5% below the commercial rate. The average increase to a single-family home is approximately \$7.84 a year.

The Committee discussed what revenue would come back to the City. Cheryl explained revenue is estimated at just over \$3.9 million and we are working on expenses right now. She feels comfortable we will meet our current budget which is a plus.

The Finance Committee requested a formal fee structure be put together and brought back to the Committee for consideration before going to Council. The City Manager wanted to double check because some may require new categories being created beyond what the Water Company has. They will report at the next meeting. Cheryl would like to start working with the Water Company for it to be implemented on whatever date they decide on.

Other Business

Discussion Options for Financial Statements

Finance Director, Cheryl Fournier, explained the delay in getting the monthly financials out is getting the information from the School Department. She suggested putting together a shorter financial report which would not include the School Department Financials. This would allow the Committee to focus on the City Financials, which is what they have control over.

The Committee is concerned that they get only part of the City's Financial information. But Jim explained their legal role concerned with the School Budget. That is all controlled by the School Committee..

Councilor Ready would still like to see the data from the School Department every month, he agrees that the City Financial should not be held up.

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

Vote: unanimous.

Motion carried 4-0.

Adjourned at 5:40 p.m.