

March 26, 2012
April 3, 2012

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Budget Workshop meetings of the Caribou City Council were held Monday, March 26, 2012 and Tuesday, April 3, 2012 in Council Chambers with the following members present: Mayor Kenneth G. Murchison, Jr., Deputy Mayor David Martin, John R. Boone, and Gary Aiken. Bryan Thompson was absent March 26, 2012. Mary Kate Barbosa and Philip McDonough II were absent April 3, 2012.

Steven R. Buck, City Manager

Kathleen A. Mazzuchelli, Superintendent of Parks & Recreation; and Gary Marquis, Director of Maintenance attended the workshop held April 3, 2012

Time Warner covered both workshops

Attending the March 26, 2012 workshop: Paul Theriault

Attending the April 3, 2012 workshop: Parks & Recreation Commissioners – Troy Barnes, Andrew Scott, and Jane Mavor-Small. Also attending were Doug Morrell, Paul Theriault, and Wayne Belanger.

Continued review of amendments to the 2012 Municipal Budget and Capital Improvements Program

- March 19th - Budget and CIP tabled.
- March 20th – Workshop was held – topics discussed included general contracting of certain services, furlough days, and the possibility of savings in Public Works Department because of the mild winter.
- March 22nd – Department Managers met and developed an initial listing of Budget Adjustments. Further examination of these possible Adjustments are being developed by individual Department Managers.

The City Council reviewed the listing of Initial Budget Adjustments on March 26, 2012 as listed below. The elements that are remaining are listed under Remaining. The Council set a meeting date of April 3, 2012 at 7:00PM to review administration's work. All developed Budget Amendments will be considered for a pending Council vote at the next regular meeting to be held on April 9, 2012.

Council directive on March 20, 2012 was to identify net Budget reductions of \$100,000, either by eliminating expense or increasing revenue.

Secondary Amendments - Reduction of \$100,000 Net Commitment

	Initial	Remaining
Police Cruiser	(\$8,000.00)	
Reduction of sidewalk & snow Removal	(\$15,000.00)	(\$15,000.00)
Nylander - elimination of cataloging costs	(\$10,000.00)	(\$10,000.00)
Assessment Reserve - Capitalize over three years a \$45,333/year	(\$91,067.00)	(\$91,067.00)
Brush Removal (diesel fuel cost only)	(\$5,544.00)	(\$5,544.00)
Pool Closure	(\$35,000.00)	
Streets & Roads	(\$50,000.00)	(\$50,000.00)
Subtotal	(\$214,611.00)	(\$171,611.00)

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On March 26th the Council asked for additional information on the following:

- Adjustments of Rec. Summer Programming Staff
- User Fees for Rec. Programming - Pool Lessons
- Fee for Brush Removal - Tag Program

- Nylander - Time to complete cataloging
- Summer Help in Pubic Works (\$7,500)

March 26th - Police Cruiser: Initial – eliminate cruiser purchase for this year; purchase two at the start of 2013. Council felt this was not cost effective. The ability to purchase one vehicle this year, new platform, and gain experience with it prior to purchasing two in 2013 was viewed favorably, removed from consideration.

March 26th Result: The consensus was to retain the CIP program as planned as all but one vehicle currently exceeds historical mileage figures. The purchase of one new Explorer platform would also provide experience with the new platform for possible adjustments to the 2013 CIP program.

April 3rd Information: Chief Gahagan provided Attachment 1, a listing of the mileage of vehicles held within the fleet.

- *Council Consensus: Retain the CIP program as planned regarding the purchase of a Police Cruiser*

March 26th - Reduction of Sidewalk Plowing: The Council requested an updated analysis on the scope of reducing sidewalk clearing on a portion of the streets next winter. The Council wants to review the analysis prior to retaining or removing.

April 3rd Information: Director Ouellette initially thought that there could be as much as \$15,000 in direct savings to eliminate a number of streets from all or partial snow removal. The actual analysis broke down the hours between Day and Night time activity per the Streets cleared during each of these two periods. The potential streets for reduced activity are on Attachment 2 page 3, bottom left not highlighted. The non-highlighted streets represent approximately 4.2 miles of the total Day response, or 60%. If one eliminates 60% of the Day Equipment and Fuel Use, a potential savings of **\$14,175** is calculated. However, if this listing of Streets are eliminated or lessened, the equipment and labor will still be maintained. The hard cost savings is in the fuel reduction or 60% of the Fuel cost or **\$6,237**.

- *Council Consensus: To calculate about one half of the hard cost savings or \$3,100*

March 26th - Nylander Museum Cataloging: The Council is requesting an estimate on the amount of man-hours needed to complete the cataloging of the collections not yet documented. They are seeking the answer to how much more time that it will take and when they can re-direct such resources towards other Museum needs.

April 3rd - Results: Jeanie indicated that if she continues to catalog the remaining collections into the Museum Software that was purchased, complete with photographs, location/s found, Latin names, and other pertinent information, the cataloging process will take approximately 1 year at the

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current pace. The reference to a year is 16 man-hours per week x 52 weeks or 832 man-hours. If the City maintains the current Budgeted hours, Jeanie expects to complete the work by this time next year.

- *Council Consensus: No change*

March 26th - Assessment Reserve: The remaining liability to complete the Revaluation is \$136,400. It is under discussion to amortize this remaining cost over three years, as opposed to raising the entire amount this year. This is based upon the premise that Assessing will not likely need to contract for outside services for the first two years after completing the revaluation. A three-year amortization of the remaining balance is \$45,467 to be raised each of the next three years, a net savings in this year or \$90,933. Council is retaining this element.

April 3rd Result: Assessor Beth O'Bar provided insight that no later than 2015 funds should be provided for quarterly reviews. This would put the City at 2 years after Revaluation with no activity, 4 years to complete quarterlies, thus 6 years out for complete review of all properties with none being more than 3 years apart.

- *Council Consensus: To amortize the cost over three years.*

March 26th - Brush Removal: The Council would again like to see this analysis updated and presented. Part of the discussion was the number of man-hours utilized during the collection process and if these man-hours could be used for the patch crew and avoids the hiring of the two part-time staffers. The initial numbers were projections on fuel savings only, as the man-hours will be (could be) redirected to other areas if not performing brush removal. The focus of the discussion will be on the man-hours and what that same "crew" will be performing if not brush removal.

April 3rd Information: Attachment 3 represents the current single-pass (only) brush removal program accomplished in a 4 10-hour day week. Again, the analysis shows the equipment and hours, man hours, fuel consumption at current pricing, and total cost to perform. If not performing brush removal that week, all crew members would be directed, on a priority basis, to catch basic repairs, cleaning prior to street painting, ditching, and other road preparation projects for the summer scope of work. The 6 Snow Hauler Trucks would not be used for these other projects, but the front line dump trucks would likely be used instead, thus eroding both potential equipment and fuel savings. The Brush Removal Program has been reduced through efficiency by well over half by coordinating the timing for a single pass, eliminating three additional weeks of partial collection time. Potential savings are dependent upon interpretation and Council directive.

- Councilor Aiken believes that there should be a fee and believes it can be done this year. He does not believe that people will mind paying. The people who use it will pay for it.
- Councilor Thompson is in favor of charging for the service.
- Councilor Martin is willing to give it a try.
- Councilor Boone agreed to charge for brush removal
- The City Council would need to adopt an ordinance to charge for Brush Removal
- A Public Hearing was set for April 23rd and it is estimated that the City will collect \$10,000 in revenues
- *Council Consensus: To charge for Brush Removal – Estimated revenue to be \$10,000 – 400 tags sold at \$25.00 per tag*

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Redirect of Labor: The summer patching program is accomplished by using 2 part-time employees working a 40 hour week, no benefits, and being paid \$8.00 per hour base, \$9.29 fully burden. They are scheduled to work for 12 weeks each per summer earning a total for the two of \$7,500. The average wage within Public Works is \$14.47 with an average fully burden labor rate adding 28% or \$18.52. These are skilled operators that operate our equipment for road construction, maintenance, and technical repairs. If the fulltime staff is put on the same patch duty, their time will be eliminated from the work schedule, approximately 960 man-hours. Summer is also the time we allow all accumulated vacation to be taken as the fulltime crew is prohibited from taking vacation time during the winter season. With the taking of vacation, it already makes maintaining a crew large enough to complete all tasks especially if two more will be taken out of the mix to accomplish patching. The 960 hour comparison is as follows:

<u>Part-time Summer Staff</u>	<u>Fulltime Use for Patching</u>	<u>Cost differential</u>
$\$9.29 \times 960 = \$8,918.40$	$\$18.52 \times 960 = \$17,779.20$	\$8,860.80

There is also a backlog of summer work from last year due to the excessive rain events and repair that prevented the normal scope of work completion. (Ditching, drainage and waterways, shoulder repairs)

- Councilor Boone believes any savings is a savings
- Councilor Martin would rather have backhoe operator on a backhoe and to keep the part-time labor for patching
- Councilor Aiken wants to see items put out to bid and see if there are any savings to be had. At this point he is looking towards next year's budget
- Councilor Thompson wants to keep the part-time help this year and to look to bids and comparisons for next year's budget
- *Council Consensus: To keep part-time labor for patching*

March 26th - Pool Closure: The Council discussed at length reviewing the time tested elements of number of persons served, pool access is a highly utilized program by many, the loss of swimming lessons, and past public sentiments to not close the pool. The Council removed this element from the table in lieu of other adjustments within the Recreational Programming, later in this memo.

March 26th Result: The Council removed this from consideration but requested an examination of fees and or staff realignment within the Recreation programming.

April 3rd Information: Director Mazzuchelli provided Attachment 4 for further information on the Pool Closure costs. The net reduction that could be taken from the current Budget, now reduced operations, would be \$17,844.00.

- Councilor Aiken stated that Presque Isle Recreation has earnings of \$35,000. He is in favor of fees for services. He commented that some people would be more than willing to pay for recreation services. He is looking to what can be done regarding next year's budget. Director Mazzuchelli answered Councilor Aiken's questions regarding snowmobile groomers.
- Director Mazzuchelli spoke very strongly against charging a fee to participate in the City's recreation programs. She spoke about how the community has supported

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recreation. It was discussed having a full community survey done and to assess gathered results.

- Doug Morrell stated that it comes down to essential services.

March 26th - Streets and Roads: The Council was given the information that the past winter had caused less total damage to our road bases than historical. The observation was noted as being tentative as no PCI updates would be available to substantiate; only the knowledge based observations of our Department. The Council is willing to keep this element under consideration provided the next discussion has greater insight into the Department's observations on current road conditions and the area/s of reduction to produce the savings.

March 26th Results: Director Ouellette reports that the winter/spring damage is far less than historical. Due to the decreased damage from this spring, Dave feels that he could forego \$50,000 in resources and still reasonably accomplish the majority of the anticipated summer chip sealing and paving. There will be a reduced need for shimming product prior to chip sealing on most roads and less product to shim for repairs. The overall sum, as directed by the Council, will be taken from the CIP Streets and Roads Account.

Initial Subtotal Proposed: (\$214,477)

Remaining Subtotal Under Consideration: (\$171,477)

- *Council Consensus: To reduce CIP Streets & Roads by \$50,000*

New items placed for consideration by the Council on March 26, 2012 are as follows:

March 26th - Adjustments of Recreational Program Staffing for Summer Programs:

March 26th - The Council noted the number of part-time staff positions and the associated dollar amounts for programming costs. It was noted that a portion of the part-time program staff was used year round and was not just for summer programming. The Council is seeking a discussion of this staff use and whether any of the positions could overlap and work on multiple programs. The discussion of man-hours began, but was dropped until the Department could present to better delineate.

April 3rd Information: Director Mazzuchelli worked with the Recreation Commission and provided Attachment 4 with summary of staff use starting on page 5. The documentation breaks out the various program areas, average hourly rate of the associated staffing, and operational hours. Director Mazzuchelli was present to clarify and answer questions.

- *Council Consensus: No change*

March 26th - User Fees for Recreational Programming:

March 26th: The Council would like to discuss the potential to charge program fees for certain and or all recreational programs. A starting point would be to examine the program fees paid by non-resident youths and to see how this might correlate to charges for resident youths.

April 3rd - Results: Information on alternative fees and charges, see Attachment 4 page 4 bottom of page. Director Mazzuchelli was present to discuss further the Recreation Commission's views on program fees for residents.

- *Council Consensus: No change*

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March 26th - Fee for Brush Removal: This analysis will depend on the earlier numbers developed for the Brush Removal Program. The Council discussed selling a “Tag” that accompanies the “Brush Pile” indicating the associated fee has been paid. The Council would have to hold a Public Hearing on such a program as any “fee” can only be set by an act of ordinance.

April 3rd Information: See Attachment 3 - The premise of charging a “Fee for Service” has been discussed within Administration. There is only an estimate of the number of stops, or pick up locations the Department typically makes, estimated to be between a low of 750 and a high of 1,000. If the total cost of \$19,285 is divided by these numbers, a range of \$19.28 to \$25.71, rounded to a range of \$20 - \$25 per stop or tag. Several anticipated problems may occur:

1. The establishment of a Fee requires an Ordinance with a 7 day notice and 30 day enactment, unless adopted as an Emergency Ordinance.
2. Change – charging a fee will be a large change with potential public response
3. Abutting property owner may/would likely combine piles and purchase a single permit – Policing
4. Those not informed and not purchasing a permit may leave their piles in protest and cause property maintenance violations.
5. Small piles versus a large pile being charged the same fee for service
6. Fewer persons may pay a fee and may haul their own brush, thus reducing revenue and expense

March 26th - Summer Staff in Public Works:

March 26th - The Council is again discussing the elimination of the two part-time dedicated staff that has historically been hired to work the patching operations for the entire summer season. It has been discussed the use of higher wage trained personnel for such operations is not cost effective, but the discussion still needs further examination.

April 3rd Information: The summer patching program is accomplished by using 2 part-time employees working a 40 hour week, no benefits, and being paid \$8.00 per hour base, \$9.29 fully burden. They are scheduled to work for 12 weeks each per summer earning a total for the two of \$7,500. The average wage within Public Works is \$14.47 with an average fully burden labor rate adding 28% or \$18.52. These are skilled operators that operate our equipment for road construction, maintenance, and technical repairs. If the fulltime staff is put on the same patch duty, their time will be eliminated from the work schedule, approximately 960 man-hours. Summer is also the time we allow all accumulated vacation to be taken as the fulltime crew is prohibited from taking vacation time during the winter season. With the taking of vacation, it already makes maintaining a crew large enough to complete all tasks especially if two more will be taken out of the mix to accomplish patching. The 960 hour comparison is as follows:

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There is also a backlog of summer work from last year due to the excessive rain events and repair that prevented the normal scope of work completion. (Ditching, drainage and waterways, shoulder repairs)

- *Council Consensus: To keep part-time labor for patching*

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April 3rd Information – Revenues:

State Revenue Sharing: MMA has issued new estimates for State Revenue Sharing. The 2012 Budget has included an estimate of \$881,149.00 for State Revenue Sharing. The City Manager is recommending reducing that amount by \$18,932.00 so the new estimate will be \$862,218.00.

- Councilors Boone and Aiken support reducing the amount in the 2012 Budget
- *Council Consensus: Reduce the amount in the 2012 Budget by \$18,932.00.*

Excise Tax:

- Councilor Aiken does not think the City should make any adjustments to the amount in the Budget.

Ambulance Revenues:

- The City is three months into the year and Ambulance Revenues collections are at 25.91%. They are right on target.
- The ambulance has made 542 runs since the first of the year. This number is 36 over the three year average for the same period of time. There may be additional ambulance revenues available to use prior to this year's tax commitment.

April 3rd Action Summary:

- Retain the adjustment to the Assessment Reserve
- Retain the reduction in Streets & Roads
- Total reduction of \$144,033 on the expense side of the Budget
- The adjustments made this evening represent 7th of a mil
- The net reduction after adjusting State Revenue Sharing and adding in \$10,000 for Brush Removal Tag Program Revenue: \$135,101.

March 26, 2012: Set a meeting for April 3rd, adjourned at 10:30 p.m.

April 3, 2012: Executive Session : Consider moving to Executive Session for the discussion of personnel matters and conduct, pursuant to MRSA Title 1 Chapter 13 Section 405 (6)(A).

9:20 p.m. Motion made by D. Martin, seconded by J. Boone, to move to Executive Session for the discussion of personnel matters and conduct, pursuant to MRSA Title 1 Chapter 13 Section 405 (6)(A). (5 yes) So voted.

9:55 p.m. Returned from Executive Session.

No Actions taken or voted after discussions of pending ratification of Teamsters Local 340 Police and Fire Contracts

Meeting adjourned.

Jayne R. Farrin, Secretary