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**AGENDA  
Caribou City Council  
Council Workshop  
5:30 P.M. Monday, June 17, 2013  
Caribou City Council Chambers**

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|---|------|
| 1. Discussion on health insurance for Part Time Employees | 2-3  |
| 2. Update on Street Light Committee                       | 4-6  |
| 3. 2013 Budget  | 7-12 |



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OFFICE OF THE CITY MANAGER  
CARIBOU, MAINE

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To: Mayor and Council Members  
From: Austin Bleess, City Manager  
Date: June 10, 2013  
Re: Health Insurance For Part Time Employees

As requested by Council we are looking at the potential costs if the City were to offer health insurance to part time employees. If we were to do this today we would be locked into the three plans (POS-C, POS-200, PPO-500) we currently offer from MMA Health Trust. The monthly premiums for all of the plans MMA offers are:

	POS-C	POS-200	PPO-500	PPO-1000	PPO-1500
Employee	\$ 899.64	\$ 764.72	\$ 725.85	\$695.18	\$ 630.77
Employee & Dependents	\$ 1,467.91	\$ 1,247.74	\$ 1,184.34	\$1,134.29	\$ 1,029.21
Family	\$ 2,018.02	\$ 1,715.34	\$ 1,628.18	\$ 1,559.38	\$ 1,414.91

Currently the City offers an 80/20 split and an HRA along with the POS-200 and PPO-500 plans. The HRA for the 200 plan is \$600 for single coverage, and \$1,200 for the Employee/Dependents and Family Plans. The HRA for the 500 plan is \$1,200 for single coverage and \$1,800 for the Employee/Dependents and Family Plans.

Just a reminder we can offer a maximum of 3 plans during any given year. Changing from our three plans would require the unions to agree to the change as well.

We are looking at other health insurance plans for next year.

We have 8 part-time employees that average 20+ hours a week. We have 3 employees that currently average 30+ hours a week.

Given that small number offering them a plan from a different vendor than the rest of the City Employees would leave the part-time employees on individual plans rather than in a pool, which carries with it the possibility of very high premium costs. The premiums there would vary in cost based upon deductible levels, the smallest deductible is \$2,000, if the person is a smoker or non-smoker, and age.

In order to provide a more accurate number of how much it would cost Council should clarify if they would like all part-time employees to receive health insurance or only part-time employees that work a certain number of hours on an annual basis and if the insurance would be offered at an employee only level, or employee/dependent, or family level.

Whatever type of split Council would like to offer, 80/20, 50/50, 25/75 are easy calculations to make. The monthly costs would be as follows:

City Cost at 80%					
	POS-C	POS-200	PPO-500	PPO-1000	PPO-1500
Employee	\$ 719.71	\$ 611.78	\$ 580.68	\$ 556.14	\$ 504.62
E & D	\$ 1,174.33	\$ 998.19	\$ 947.47	\$ 907.43	\$ 823.37
Family	\$ 1,614.42	\$ 1,372.27	\$ 1,302.54	\$ 1,247.50	\$ 1,131.93
City Cost at 50%					
	POS-C	POS-200	PPO-500	PPO-1000	PPO-1500
Employee	\$ 449.82	\$ 382.36	\$ 362.93	\$ 347.59	\$ 315.39
E & D	\$ 733.96	\$ 623.87	\$ 592.17	\$ 567.15	\$ 514.61
Family	\$ 1,009.01	\$ 857.67	\$ 814.09	\$ 779.69	\$ 707.46
City Cost at 25%					
	POS-C	POS-200	PPO-500	PPO-1000	PPO-1500
Employee	\$ 224.91	\$ 191.18	\$ 181.46	\$ 173.80	\$ 157.69
E & D	\$ 366.98	\$ 311.94	\$ 296.09	\$ 283.57	\$ 257.30
Family	\$ 504.51	\$ 428.84	\$ 407.05	\$ 389.85	\$ 353.73

If Council wanted to offer part-time employees working 20+ hours a week health insurance at the PPO-500 plan employees coverage only the annual costs would be:

80%	\$ 55,745.28
50%	\$ 34,840.80
25%	\$ 17,420.40

Due to the large number of possible variations of plans, employees included, and possible HRA's there are too many possible scenarios to list out here. If council would like to provide more specific direction staff can come back with more specific numbers.



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OFFICE OF THE CITY MANAGER  
CARIBOU, MAINE

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To: Mayor and Council Members  
From: Austin Bless, City Manager  
Date: June 10, 2013  
Re: Update on Street Light Committee

As Council is aware I've been working with Maine Public Service for the last few months to look at the possibility of getting LED Street lights. As part of that group we took a very long look at a number of options.

It might be good for Council to understand the process that we utilized in the discussions. We used the Decision Analysis Process. That purpose of that process is

- To ensure the **right problem** is being solved
- To promote **creative alternatives**
- To develop **agreed-upon criteria** by which solutions will be measured
- To separate what is already known and **concentrate effort** on what is **important**
- To bring uncertainties, expectations, assumptions, concerns, meanings to light **to be clarified** and understood
- To know when to **stop analyzing** and make the decision
- To produce a **recommended solution** based on **objective analysis**

The strategic question that was formed as part of that group was:

What is the best\* street lighting solution for the City of Caribou that lowers cost and can be delivered within the expected timeline?

\*Best = safe, efficient, reliable, usable, acceptable to customers

We looked at a total of 10 different options. These options included removing more lights, reducing wattage in existing lights, the City owning everything, MPS owning everything, and Caribou buying the lights and giving them to MPS.

The three options that are put forth as final options for the Council to consider are as follows.

#### **Lower Wattage Lights**

Where possible exchange for lower wattage lights to save costs—analysis assumes changing 150 watt lights to 70 watt HPS and 250 watt lights to 100 watt HPS.

Some of the Pros for that were:

- Immediate cost savings
- Fast and easy to implement
- Low risk—know exactly what we are getting (no new technology involved)
- Removing assets potentially at end of life, reduces maintenance cost
- No rate filing/approval process
- Shortest simple payback

Some of the Cons of this solution included:

- Lower light outputs
- Safety may become an issue
- May cause customer/citizen concerns
- still labor costs to replace bulbs

**Keep 50W HPS & Caribou buys & donates Higher Wattage LED lights**

Caribou purchases LED lights, fixtures, donates to BHE/MPS, and the city pays fees/taxes on the donation. This would propose new rate pilot, which requires PUC approval. This only changes to LED lights where rate is lower than current monthly cost (leaves 50W HPS in place, replaces higher wattage with LED).

The Pros of this option:

- Eligible for Efficiency ME rebate--\$175 per fixture
- 4.8 year simple payback
- Higher annual savings compared to 4a
- Lower up front costs—taxes and purchase lower due to smaller number of lights purchased
- Qualifies for Efficiency ME rebate

The Cons of this option:

- Could complicate things with the CIAC Tax—this has to be paid with donation, cannot be rolled into rates
- Costs paid up front (shifts timing)

### **Caribou buys & own LED**

Caribou purchases LED lights, fixtures, owns, installs and maintains lights which are attached to BHE/MPS poles, pays attachment fees

The Pros of this include:

- Lower monthly rate than if BHE/MPS bought lights
- Aligns with possible option in the LD 1251 (now an omnibus energy bill)
- No CIAC tax payment due to BHE/MPS—possible cash flow benefit to city
- Qualifies for Efficiency ME rebate

The Cons of this include:

- A lot of unknowns on what will emerge from the legislation regarding attachment fees and other requirements/timing, could cost more and take longer than estimated
- Separate attachment fees for both MPS and phone company
- Costs paid up front (shifts timing)
- Potential higher costs associated with insurance/safety/training depending on who does the installation/maintenance
- Safety risk working in proximity to existing power lines; workers need to be certified
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Under this option we could contract with MPS or someone else to maintain our lights as needed. This would limit the requirement for our workers to be certified.

Here is a cost breakdown of the options:

	1b Reduce Wattages	4.a.1 Caribou Purchases, MPS Maintains Through Rates HPS 100 and up	4.b.2 City Owned & Maintained, LED 50 and 150 only
Current Annual cost	\$ 35,542	\$ 66,709	\$ 112,618
New Annual Cost	\$ 23,821	\$ 50,436	\$ 67,291
Pole Attachements			\$ 7,124
Net Change in Annual Cost	\$ (11,720)	\$ (16,273)	\$ (38,203)
<b>One Time Costs incurred by City</b>			
Light Removal	\$ 10,974	\$ 20,324	\$ 45,053
Materials		\$ 103,647	\$ 180,422
Installation			\$ 166,050
Potential Rebates		\$ (46,025)	\$ (102,025)
Net Costs	\$ 10,974	\$ 77,946	\$ 289,501
Simple Payback (years)	0.9	4.8	7.6

Notes:

1. Current Annual Costs reflects only costs associated with specific lights being targeted under each respective option.
2. Simply payback assumes no financing costs
3. Purchase/rebate would have to be timed accordingly to obtain \$50k/year maximum.

It is possible that we could get a contractor to install the lights for cheaper than the installation costs listed above. That is the cost if MPS did the work to install them. If we are awarded a grant, which we have applied for, that would also help to reduce the upfront costs.

The Committee would like some feedback from the Council as to what direction the Council would like to take this next.



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OFFICE OF THE CITY MANAGER  
CARIBOU, MAINE

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To: Mayor and Council Members  
From: Austin Bleess, City Manager  
Date: June 10, 2013  
Re: 2013 Budget

To start I want to give Council some background on the dollar amount of taxes committed and revenue sharing received since 2008 through 2013. Please note the 2013 City Tax Number is based upon the expense level listed in the May 31, 2013 Budget Report.

	2008	2009	2010	2011	2012	2013
School	\$3,119,847	\$2,990,387	\$2,930,775	\$3,092,769	\$3,213,918	\$3,336,540
County	\$355,272	\$351,860	\$354,010	\$356,051	\$364,644	\$396,474
City	\$2,556,661	\$2,595,856	\$2,905,000	\$3,398,892	\$3,552,276	\$3,781,790
Rev. Sharing	\$1,492,948	\$1,112,302	\$1,019,736	\$933,152	\$860,828	\$709,999

While Revenue Sharing has been cut by 52.4% since 2008, the taxes committed have increased 32.4%. After taking out the amount we have lost in Revenue Sharing since 2008 the amount collected in taxes has only increased \$76,697 each year.

Looking at the actual dollar amounts of the taxes committed is a more accurate way to look at the numbers. Mill Rates can fluctuate from year to year based on valuations. Where dollars raised and spent is the true reflection on what is happening with the budgets.

As requested by Council staff is presenting possible cuts to the budget for Fiscal Year 2013. While the state is proposing to raise the sales tax, which typically funds Revenue Sharing, they are also proposing to cut Revenue Sharing. The projected Revenue Sharing cut is \$381,762.

However, many of these cuts are one time cuts. Most of them will need to come back next year as they are maintenance things that need to be done and capital equipment purchases that need to be made.

In order to assist the Council in their stated goal to get away from micromanaging the budget I would encourage Council to come to a consensus on a final budget number and to allow the staff to implement that budget number as necessary.

### **General Government**

We can reduce General Government by \$18,400. This would require:

- Meal and Lodging \$500
- Car Allowance \$1,300
- Mileage \$800
- Conference Fees \$500
- Council Pay \$500 – Councilor Kouhoupt has informed me he would serve without pay.
- Soil and Water Conservation District \$1,300
- Contracted Services \$10,000
- Annual Report \$2,000 – Greatly reduce the number of Annual Reports we have printed.
- Subscriptions \$200
- Professional Dues \$1,300

Council would need to cut in half the mileage reimbursement rate to 22 cents per mile. We are eliminating a number of foreseeable trips downstate, but there will still be some required so people can maintain the necessary certifications.

### **Chamber of Commerce**

We can reduce the Chamber of Commerce by \$8,500, all in events. We would pay for these events out of TIF Funds so the events could still occur. We are just shifting the costs. The events are Caribou Cares About Kids, Santa, Farmers Market, Winter Carnival, HOG Rally.

The Chamber Director suggested the Annual Dinner for \$3,810.

### **General Assistance**

We can cut \$25,606 from General Assistance. \$25,000 would be from General Assistance itself, which would require us to modify the Revenue budget by \$12,500. The changes would be:

- Office Supplies \$250
- Legal Fees \$250
- Travel Expense \$66
- Training and Education \$40
- General Assistance \$25,000.

These recommendations are the same as the GA Administrator's.

### **Tax Assessing**

We can cut \$6,000 from tax assessing in the following areas:

- Board of Assessor Salaries: \$1,500
- Meals and Lodging \$2,000
- Mileage \$500
- Car Allowance \$2,000

These cuts would make it very difficult for our Assessor to attend the necessary trainings that are needed to keep up her certification.

### **Code Enforcement**

We can save \$450 in Code Enforcement. This comes from the following:

- Mileage \$50
- Car Allowance \$400

Both of these items would require the mileage reimbursement rate be reduced as for the General government lines.

### **Library**

We can cut \$18,391 from the library budget. This comes from the following:

- Technology Coordinator \$10,641 (includes cost for Contracted IT Services)
- Janitor \$800 – Will reduce janitor to 5 days a week
- Not opening Saturday's \$1,450
- Travel \$500 from reduction of mileage reimbursement rate
- Books and Periodicals \$5,000

The Library Director's proposal:

- Travel \$1,000
- Training & Education \$900
- Heating \$600
- Office Supplies \$500

- Tech Coordinator \$3,000
- New Equipment \$1,500
- Books/Periodicals \$3,000

### **Nylander**

We can cut \$3,253 from the Nylander Budget. This comes from the following:

- Heating Fuel \$743
- Electricity \$700
- Water \$400
- Sewer \$80
- Building Supplies \$200
- Building Maintenance \$1,400

This would close down the Nylander Museum all together and require the Chamber office to be relocated.

The Chamber would rather not see this happen. There are good reasons to keep the Chamber in the Nylander as well. This provides them with the opportunity to try and maintain a separate identity.

### **Fire Department**

We can cut \$1,500 from the Fire Department. This comes from the following:

- Mileage \$250. This is from cutting the reimbursement rate.
- Janitor \$1,250

The Fire Chief offered this same Janitor proposal.

### **Ambulance**

We can cut \$9,910 from the Ambulance budget. This comes from the following:

- Ambulance Billing Salaries and Health Insurance \$6,000
- Mileage \$250 from reducing the mileage reimbursement rate
- Janitor Service \$3,660

The Fire Chief is in agreement on the janitor portion.

### **Police Department**

We can cut \$2,440 from the Police Department Budget. This comes from the following:

- Car Allowance \$1,700 from reducing the mileage reimbursement.
- Mileage \$500 from reducing the mileage reimbursement rate
- Cell Phone \$240
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The Chief's proposal included the Car Allowance and the Cell Phone.

### **Emergency Management**

We can cut \$8,955 from the Emergency Management Budget. This comes from the following:

- Salaries \$1,930
- Postage \$50
- Training and Education \$325
- New Equipment \$1,500
- Recognitions and Awards \$400
- Vehicle Repairs \$200
- Tires \$400
- Gasoline \$150

- Rent \$4,000

This would essentially shut down the Emergency Management functions.

The Chief's proposals include:

- Salaries \$447
- Recognitions and Awards \$400
- Equipment Maintenance \$1,000
- Rent \$4,000

### **Public Works**

We can cut \$29,287 from the Public Works Budget. This comes from the following:

- Salaries \$7,290 – Not hiring the summer help
- Postage \$50
- Paper \$25
- Meals/Lodging \$150
- Travel \$242
- New Equipment \$4250
- Office Equipment \$500
- Misc Expense \$750
- Heating Fuel \$1,000
- Building Supply \$100
- Equipment Rental \$1,000
- Tools – Shop \$600
- Tools \$1,000
- Solvents \$200

The Public Works Director's proposal included the above and the following:

- Sand \$5,000
- Salt \$8,000
- Gasoline \$1,000
- Building Maintenance \$500
- Signs \$1,000

### **Rec Department**

We can cut \$15,961 from the Rec Department. This comes from the following:

- Fall Soccer \$1,728 – This would impact revenues by \$285.
- Basketball \$6,000 – This would impact revenues by \$830.
- Rec Supervisors/Attendants \$4,000
- Youth Equipment \$1,000
- Soccer Equipment \$700
- Basketball Equipment \$500
- Arts and Crafts \$300
- Special Events \$1,733

The Rec Director's proposal is \$7,367 in cuts. This comes from the following

- Skating Rink Maintenance \$500
- Rink Equipment \$179
- Rink Electricity \$50
- Grade 1 and 2 Soccer \$768
- Eliminate Grade 1 and 2 Basketball \$1,280

- Close the gameroom at 6 \$2,836
- Close on holidays (Columbus Day and Veteran's Day) \$293
- No Christmas Week Programs \$700
- Eliminate participation soccer round robins 4360
- Leave basketball and tennis lights off \$400

### **Parks Department**

We can cut \$13,908 from the Parks Department. This comes from the following:

- Janitor \$9,908
- Parks Maintenance \$4,000

The Rec Director's proposal is \$2,980 in cuts. This comes from the following:

- No flower pots downtown \$300
- Eliminate private vendor weed control on ballfields \$750
- Eliminate fertilization program \$350
- Reduce summer seasonal help to 30 hours \$1,580

### **Cemeteries**

We can cut \$3,175 from Cemeteries. This comes from the following:

- Evergreen Cemetery \$1,500
- Grimes Cemetery \$500
- Sacred Heart Cemetery \$175
- Holy Rosary Cemetery \$175
- Green Ridge Cemetery \$75
- Lydon Cemetery \$150
- Bubar Cemetery \$100
- Veteran's Cemetery \$500

As Council is aware this could cause some cemeteries to be turned over to the city, which would cost more in maintenance.

### **Insurance and Retirement**

We could cut \$25,000 from Insurance and Retirement. This comes from the following:

- Compensated Absences \$25,000

As Council is aware we are already facing a potentially substantial unfunded liability in this area. This would further exasperate the problem.

### **Contributions**

We could cut \$7,253 from Contributions. This comes from the following:

- Aroostook Agency on Aging \$7,253

As Council is aware we cut all contributions in the original budget. Council voted to add this back in after an appearance from the agency at one of our Council meetings.

### **Capital Expense**

We could cut \$89,258 from Capital Expense. This comes from the following:

- Parking Lot Reserve \$5,000
- Christmas Lights \$2,000
- LED Street Lights \$6,558
- Downtown \$1,500
- General Government Computers \$5,000
- Library Computers \$900
- Library Roof \$20,000
- Ambulance Small Equipment \$3,000

- Police Small Equipment \$2,000
- Public Works Equipment Reserves \$5,000
- Street Reconstruction \$10,000
- Parks Improvement \$6,000
- Parks Vehicle Reserve \$7,500
- Parks Lawn Mower Reserve \$1,800
- Civic Beautification \$3,000
- Trail Groomer Reserve \$10,000

The Fire Chief also added \$400 in Foam Reserve to his proposal.

As Council is well aware Capital Expenses have been raided for the past several years. Continuing to raid these areas will only make the budgeting process worse in future years when we need to expend large amounts of money from these accounts.

**Tax Increment Financing**

We can cut \$100,000 from the TIF Accounts.

These are the only funds that we have available to us to help market ourselves, fund events, and most importantly attract businesses to our community that will allow us to grow and expand our tax base.