

November 8, 2017

17-27 Wksp.

A Workshop meeting of the Caribou City Council was held 6:00 p.m. on Wednesday, November 8, 2017 in Council Chambers with the following members present: Mayor Gary Aiken, Deputy Mayor David Martin, Philip McDonough II, Nicole Cote, Timothy Guerrette, and Jody R. Smith. Joan L. Theriault was absent and excused.

Dennis L. Marker City Manager.

Department Managers: Gary Marquis, Supt. of Parks & Recreation; Michael Gahagan, Police Chief; Penny Thompson, Tax Assessor; Scott Susi, Fire Chief; David Ouellette, Public Works Director; Lisa Plourde, Housing Director; Anastasia S. Weigle, Library Director; Christina Kane-Gibson, Events Planner; and Wanda Raymond, Finance Director.

Spectrum covered the meeting.

Hugh A. Kirkpatrick, Councilor-Elect.

Mayor Aiken opened the Work Session and then turned it over to the City Manager Marker.

Wages:

- Unions have a negotiated contract in place that runs through 2018. The three-year contract was for a 10% increase over that timeframe.
- Last year, the Council approved a salary model for non-union employees with a step in grade systems and a cost-of-living adjustment component. Each step increase equals to two percent for five years. New employees would be on “year one” and over five years would receive a 10% increase. For 2017, the current tenured employees were set to a “step three”. Once at “step five” those employees would only be eligible for cost of living adjustments and/or every two years the City would do a salary survey and adjustments would be made to the steps.
- The City Manager reviewed the three major indexes that are used to determine cost-of-living adjustments.
- For 2018, if the City does step increases without the COLA the cost is about \$30,000 in wage, social security and retirement expenses. If the City does a 2% COLA without the step increase, the cost is about \$30,000. To do both a step increase and a 2% COLA, the cost is about \$60,000. The Council could decide to have no step increase or COLA.

There was a discussion as to what is “being caught up” for the non-union employees and what is average. Councilor McDonough stated that there are further adjustments needed to the Wage and Classification Program than those being discussed. He stated that the Council needs to go in and cleanup some of the language in the Wage and Classification and, if needed, go in and do it in the admin policy also.

Dave Ouellette stated that the Department Heads realized when they received their raise that they were one year behind on averages because the 2017 raise was based on 2016 data.

Councilor McDonough stated that deficiencies weren’t correct from last year or even from 2008. Further he stated that items are discussed at the table, but we don’t go back and fix them.

November 8, 2017

17-27 Wksp. Pg. 2

Dave Ouellette stated that on the five step plan that the average salary is year three or step three. Before last year, Mr. Ouellette stated that the Wage and Classification tool hadn't been looked at for at least five years.

Discussion.

Councilor McDonough would like to know if there was a recording of the meeting where the 2017 Wage and Classification tool was discussed.

Councilor Cote asked several questions of Dave Ouellette clarifying the tool.

Manager Marker offered that it appears that there needs to be further discussion regarding the Wage and Classification policy.

Mileage Reimbursement:

- Current federal mileage reimbursement rate is \$0.535 per mile
- City of Caribou's reimbursement rate is \$0.42 per mile
- Currently, the City doesn't have a written policy for eligibility and currently comes under supervisor discretion
- The Mayor stated that he believes the City should use the federal mileage reimbursement

Council Suggestions (without the wages):

- The Manager has gone through with the suggestions offered by Council and this makes an adjustment to the Budget of a \$150,712.68.
- The draft 2018 Budget is 6.4% higher than the 2017 Budget.
- This evening the Manager provided the Council a preliminary 2018 Revenue Budget, which shows that it is necessary to cut another \$115,000 out of the Budget to stay within the revenues.
- If another \$115,000 is removed from the Budget, then the increase would be 5.2%.

Unemployment Compensation numbers have been received since the last meeting. Generally, those costs have stayed flat.

Councilor Martin wants to keep the budget to a 3% or 4% increase. He would like the Council to give the Manager a "number" and he will have to make it work. For wages, Martin proposed the \$60,000, which is 2% step and 2% COLA. The Manager would have to find the cuts. Councilor McDonough suggested 2% and get the documentation corrected so everybody's on the same page. He wants to see the program cleaned up and go forward and pay them accordingly.

Dave Ouellette thanked the Council and told them how much the non-union employees appreciated what the Council did for us last year.

Councilors Smith and McDonough supports 2% salary increases. Councilor Guerrette supports 2% COLA and 2% step. Councilor Cote supports 2% COLA and the 2% step, if this money can be found in the Budget without cutting services.

Councilor McDonough commented that after going through the Budget that the only place someone could find any money is the Capital Improvements Budget. He complimented Administration.

The Council wants to review the Wage and Classification program as soon as possible. The Mayor suggested that a copy of the Policy be included in the November 13<sup>th</sup> Council packet.

The Manager stated that he has reflected all of the Council suggestions within each of the departments and those cuts total \$150,000.

Council reviewed CIP:

- Mayor suggested reducing the Downtown infrastructure account by \$200,000 as the Birdseye cleanup expenses will come out of the TIF.
- Mayor would like to split the \$94,000 cost for Fire turnout gear over two years. The Fire Chief noted that purchasing half of the turnout gear, would be 22 sets and would cost approximately \$60,000.
- The main capital expense for the Municipal Building is the replacement of a boiler.
- Discussion about pellet boilers. The only working pellet boiler is the one at the Wellness Center. The City still owes a finance company about \$780,000 for the pellet boiler systems. The Council discussed whether there is any salvage value or can someone else come up with the controls to make them work. Councilor Martin wants the boilers to work or get rid of them. Supt. Marquis would like to take the pellets out of the other silos and use them at the Wellness Building. Councilor-Elect Kirkpatrick asked several questions about Trane, the City's performance guarantee in the contract, and that the City may have some recourse in the contract. When asked, Mr. Kirkpatrick offered that there are engineering companies that could come in and retro commission the system.
- The Mayor asked about the Street Reconstruction account of \$225,000. Dave Ouellette stated the money is for a 50-50 share of High Street and North Main Street, but it appears that the State will not be doing North Main in 2018. The State's High Street project is a "drainage" project. The City and the State will be sharing the \$180,000 surface treatment expense. The Mayor suggested removing the \$50,000 allocation.
- There was a suggestion of taking the \$25,000 from the Airport and move that to the Fire Department's turnout gear purchase. Councilor Cote wants to see the City replace all the turnout gear as it is the safety of our firefighters.
- TIF – The Mayor questioned the projection of \$414,669 under Economic Development. The Manager stated that he would look at that number and the projected revenues. Mayor indicated that the City will have to have match money for the Birdseye cleanup, but might not have the money for a rental assistance and downtown infrastructure program.
- Revolving Loan Fund – the TIF District plan specifically has a revolving loan fund of \$1 million over the life of the TIF. Starting in 2014, with 20 years remaining for the TIF, the City started to put away \$50,000 a year towards the \$1 million goal. Currently the City has \$200,000 in one account and another \$274,000 in a different account for the revolving loan fund. The Manager suggested that for 2018, the City could allot the \$50,000 towards the Birdseye site cleanup. The revolving loan monies are kept in a City Reserve Account and the Council has oversight over their disbursement.
- Question about Revenue Sharing and Homestead Exemption and whether they have been accounted for in the draft Budget.

November 8, 2017

17-27 Wksp. Pg. 4

- RSU #39 disbursement to the City will come in two installments with the first one being paid January 1<sup>st</sup>. The Mayor recommends the \$142,000 be put in a Reserve Account to pay down the \$2 million additional expenses that were approved by the RSU #39 voters. So this added expense doesn't affect the future tax rate that much. If Council follows the Mayor's recommendation, then the \$142,000 will have to be backed out of the 2018 Revenue Budget thus leaving the estimated revenues \$280,000 less than 2017.
- LED Streetlights – the monies allocated is the consultant's fee to do the engineering. Discussion.
- Library: Currently the budget includes adding a new 15 hours a week staff person. Councilor Martin would rather see them cut the Library hours. The Library Director stated that the Library is cutting their hours by opening later Thursday and Friday so they can fill the current staffing holes. Having a new 15-hour position would help fill the staffing holes, issues when someone is out sick, and to allow the Library Director to attend training. The Library has a policy about not allowing an employee to work alone. Councilor Martin commented that people will adjust to any changes to the Library's hours. The City Manager offered that when the Director is on the "floor" she can't do other things including applying for grants. Councilor Martin stated that having the Library open 8 hours a day is enough. The Mayor wonders what would be the best 8 hours. Councilor Cote noted that it is convenient for people to use the services; such as, help with resumes and job searching as they aren't available elsewhere. Cote sees the \$10,000 expense as a service to our community and could be offset by finding grants. She continued that the City needs to maximize services rather than cut them to attract families to Caribou. The monies are in the draft 2018 Budget. Councilor Smith stated that he was agreeable to leaving it there. Ms. Weigle commented that she is supportive of the Library's patrons and many of them are on the fringes, with not a lot money, no computers, and lack of transportation. Councilor McDonough asked about other libraries and whether they offer what is being offered here in Caribou. McDonough wants to know if we are doing "core" library functions or "above and beyond". The Director stated that libraries have changed, our society has changed, and libraries are more involved in providing resources for their patrons. The Mayor commented that he doesn't believe the Library to be overstaffed and he supports having the Library open more hours per day than 8 hours. Manager Marker stated that the Library is more than a warehouse for books.

2018 Budget Hearing is scheduled for November 13<sup>th</sup>.

Workshop adjourned at 7:58 p.m.

Jayne R. Farrin, Secretary