

City Council Minutes  
May 26, 2020

Special Meeting  
Via zoom

Tuesday, May 26, 2020  
6:00 p.m.

The regular meeting was called to order by Chairman Jerry Goss. The City Clerk called the roll:

Councilor Morelli-present  
Councilor Phanthay-present  
Councilor Daniels-present

Councilor Ferris-present  
Chairman Goss-present

Chairman Goss declared a quorum present. City Manager Stephen Bost was also present.

Chairman Goss led members of the Council and others present in reciting the pledge of allegiance to the flag of the United States of America.

Chairman Goss read the notice for the special meeting.

TO: Joseph Ferris, Jerry Goss, Thomas Morelli, Michele Daniels and Soubanh Phanthay MEMBERS OF THE BREWER CITY COUNCIL you are hereby notified a special meeting of the City Council will be held on Tuesday, May 26, 2020 at 6:00 p.m. virtually, via zoom to consider and act on the items on the attached agenda.

s/Jerry Goss  
Mayor and Chairman of the City Council  
Or \_\_\_\_\_  
Majority of the City Council

a true copy, attest: s/Ronda J. Hogan  
City Clerk

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I have on the date(s) and time(s) indicated given notice of this meeting by giving in hand of by leaving at the usual dwelling place of the within named an attested copy of this notice of meeting:

Given/Delivered to:	by (person delivering)	Title	Date	Time
Jerry Goss	Jones	Cpl.	05/22/20	17:34
Thomas Morelli	Jones	Cpl.	05/22/20	17:50
Joseph L. Ferris	Jones	Cpl.	05/22/20	18:00
Michele Daniels	Jones	Cpl.	05/22/20	17:25
Soubanh Phanthay	Jones	Cpl.	05/22/20	17:36

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**CITY COUNCIL SPECIAL MEETING**  
**Tuesday, May 26, 2020 6:00 P.M.**  
**Brewer City Hall Council Chambers**

**Virtual Meeting via Zoom due to the ongoing COVID-19 pandemic**  
**Physical attendance by the public at City Hall is not permitted**  
**General Public Link: [https://us02web.zoom.us/webinar/register/WN\\_leNhGUmmTFeP1nhn22gMqQ](https://us02web.zoom.us/webinar/register/WN_leNhGUmmTFeP1nhn22gMqQ)**

- I. Call to Order.** (Mayor Goss)
- II. Roll Call.** (City Clerk)
- III. Pledge of Allegiance to the Flag of the United States of America.** (Mayor Goss)
- A. Minutes of May 12, 2020 Regular Meeting** (Councilor Morelli)
- B. Awards, Petitions and Public Comments.**
  - 1. Presentation: FY2021 City and School Budgets
  - 2. Public Comments
- C. Consent Calendar.**
- D. Monthly Reports.**
- E. Nominations, Appointments, Elections.**
- F. Unfinished Business.**
- G. New Business.**
- H. New Items with Leave of Council.**
- I. ADJOURN.**

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**A. Minutes of May 12, 2020 Regular**

**ACTION:** Councilor Morelli moved that the minutes be accepted and placed on file. The motion was seconded and passed by unanimous vote.

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**B. Awards, Petitions and Public Comments**

- 1. Presentation: FY2021 City and School Budgets

**ACTION:** Chairman Goss introduced City Manager, Stephen Bost and City Finance Director, Karen Fussell, to present the City side of the FY2021 budget. City Manager Bost read his overview of the proposed budget to the Council.

To: Mayor Goss  
Members of the City Council  
From: Stephen M. Bost, City Manager  
Date: May 22, 2020

# City Council Minutes

## May 26, 2020

### Re: **FY2021 Draft City of Brewer Consolidated Budget**

It is my privilege to submit for your consideration the City of Brewer consolidated municipal budget for fiscal year 2021. The budget before you represents a Herculean effort from staff across all departments, who have worked hard to fit expenditure needs within the revenue constraints facing us this year.

Every year brings its new challenges, but the uncertainty and dramatic economic and social shifts brought on by the COVID-19 pandemic have truly been unlike anything the City has weathered before.

The City and School have been working since March to revise their budget proposals to reflect these changes and to develop a FY2021 budget request which can withstand a range of possible alternative revenue and expense scenarios. We can anticipate further financial challenges ahead, and believe this budget positions us accordingly. I am pleased to present the budget to you that I feel meets those goals.

### **FY2021 Budget Highlights**

- The budget proposes to reduce the City's mil rate by \$0.24, to \$22.75 per \$1,000 of assessed valuation. The mil rate decrease is enabled by growth of about 3.8% in the City's tax base. This year, Brewer's total taxable valuation will return to its high mark last seen in 2009.
- The proposed \$14.2 million City budget increases municipal expenditures by 2.2%, or \$301,500. The bulk of the FY21 increase relates to a program change I'll discuss in a moment. But I will note that we've taken numerous steps to reduce expenses and limit growth in areas across departments, including a freeze of all City employees' salaries at current levels, termination of the City's Founding Partner contract with the Cross Center, and leaving vacant and unfunded a reception position at the Police Department.
- The COVID pandemic has dramatically altered the City's revenue outlook for the coming year. We are estimating a \$300,000 (15%) loss in motor vehicle excise tax revenue, a \$60,000 (60%) decrease in interest earnings, a \$15,000 (21%) drop in permit activity, and \$520,000 (38%) less in revenue sharing from the state. Fortunately, prior sound budgeting has helped mitigate some of these negative impacts on the FY21 budget. To help bridge the gap, we are also proposing to increase use of fund balance to support the budget by \$80,000.
- The Parks and Recreation Department's budget reflects reduced revenues and expenses as a result of expected limits on programming capacity due to COVID restrictions. The department is estimating about a 24% (\$116,000) drop in revenue and an 8% (\$87,000) decrease in expenses.
- The proposed \$23.97 million School budget increases expenditures by 2.0%, or just over \$470,000. This increase is offset by a projected larger education subsidy payment from the State as well as more tuition revenue, and does not require additional funds from Brewer taxpayers. The School's budget proposal is structured to accommodate some level of education subsidy rescission in FY21.
- Brewer's Penobscot County tax bill is going up 3.9%, or \$39,000, to over \$1,100,000. Over the last five years, Brewer's annual County obligation has increased an average of 4.3% per year, or over \$41,000 annually. The bond financing the County is proposing for E-911 equipment and a new jail would add an estimated \$200,000-\$250,000 to these figures in coming years.
- The FY21 budget proposes the elimination of the Pay As You Throw trash program, which has been in place since 2011. Although successful in many ways, the program now poses a financial and logistical burden to residents. In recognition that, due to rising home values, a majority of property owners will see a modest increase in their tax bill this year, the City is recommending elimination of the tag program as an offset to these increases.

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- The FY21 budget agains utilizes sheltered tax increment financing (TIF) revenues to offset just over \$932,000 in economic development-related general fund expenses. These funds have been essential to important economic development initiatives such as redevelopment of the Waterfront District and construction of the very popular Riverwalk Trail. In FY21, these funds will support work on Phase 3 of the Riverwalk Trail, which will run south from Mason's Brewery.
- This budget proposes a limited capital improvement program for FY21 targeted at safety and critical equipment replacements. The proposed \$1.254 million capital budget includes funding for an expanded paving program and to replace a number of vehicles and pieces of equipment that have become obsolete or have met or exceeded their useful lives, as well as TIF funding to expand Economic Development's business development loan and grant program.
- The FY21 budget holds the water rate stable. This year, the Water Department will complete the \$3.3 million project to replace the ozone generation equipment at the Hayes Treatment Plant that has exceeded the manufacturer's life cycle and is now obsolete. The City decided against a rate adjustment this year due to COVID-19 pressures.
- The budget proposes a modest adjustment to the sewer rate. The Sewer Department is requesting an increase of \$0.37 per 100 cubic feet of usage. This change adds just under \$5 per quarter to the average household sewer bill. This small change in the sewer rate is necessary to meet the department's increasingly costly regulatory requirements and to support structural balance in the Sewer Department budget.

In closing, I would like to recognize and thank City department heads, the School Department, and Finance Director Karen Fussell for their dedication and contributions to this document. It is the ongoing efforts of Brewer's management team that keep our budget accountable, on track, and able to withstand the unexpected. I offer my thanks, too, to our creative and dedicated municipal employees that are adapting programs and operations to accommodate the new COVID-driven world order. As a result of their diligent efforts, Brewer has crafted a careful budget that maintains core programs while meeting statutory obligations and the service needs of our citizens.

Respectfully submitted,

Stephen M. Bost

Chairman Goss introduced School Superintendent, Gregg Palmer, and the School Business & Finance Director, Gretchen Gardner, to present the School side of the FY2021 budget.

5.26.2020

Dear Brewer City Council,

On behalf of the Brewer School Committee, Finance Director Gretchen Gardner, and the entire school district I am happy and honored to be presenting the Brewer School Department's FY 2020-2021 budget.

The Department has appreciated the collaborative and supportive relationship with the City throughout the year and as we have all needed to adjust following events caused by the COVID-19 outbreak, both in terms of our personal and professional lives as well as the development of this budget.

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The School Department's administrative team began budget discussions late in the fall of 2019. Building administration spoke with teacher leaders on behalf of the various teams and departments in order to think about how to meet core needs in our classrooms. This process continued through January, honing what the Department believed was a responsible plan that included modest increases designed to grow and improve our work on behalf of students. The goal is to create steady, solid budgets that can be sustained over time.

However, as the realization of what the pandemic was going to mean economically grew, the team scaled back its overall budget in order to prepare for the implications.

With that said, despite the many challenges, the Brewer School Department offers this budget that has a zero percent increase to the taxpayers but that still invests in our students and staff and positions us to do good work to support all our learners throughout the 2020-2021 school year.

### **FY 2020-2021 Budget Highlights**

- The 2020-2021 Brewer School Department budget has a zero percent increase to taxpayers. While our overall expenditures are up 2%, the Brewer taxpayers will see no increase from the Brewer School Department's budget.
- The Department has eliminated nearly all staffing requests following the first reading of the budget and based on new information regarding the looming economic downturn. The first reading of the 2020-2021 Brewer School Department budget included several new positions that were intended to grow the district's work on behalf of students. The budget was subsequently adjusted, removing those positions except where teaching positions, staffed by employees who resigned from those during this school calendar year, are required have students meet learning requirements according to State statute and without which we would have no other way to stay in compliance along with positions that, based on Federal law, are required to make sure students can fully access their educational programs.
- The Department has carry forward to help defray further economic hardship that may be faced in the coming year. We are prepared should we see a curtailment in State funding, the final numbers of which have been held back until August.
- The Brewer School Department has created a contingency line that will help it defray unforeseen expense. This \$50,000 line would be able to be used for any expense, and if it was not needed then it could be returned to the general fund.

I deeply appreciate the direction provided by School Committee Chair Kevin Forrest and Vice Chair Mark Farley and the entire Committee along with the excellent work done by Finance Director Gardner, the administrative team working as a team, teacher leaders, and the entire Brewer School Department staff. An undertaking as comprehensive as a school budget requires everyone in the organization keeping students as its first priority and an ability to be flexible and to compromise and support one another. I am humbled by how pervasive that single priority is throughout the organization and by staff's commitment to these ideals which has infused this budget.

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The Brewer School Department presents this budget with a clear eye to manage our finances while preparing our students both for today and tomorrow.

Respectfully submitted,

Gregg Palmer  
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**B. Consent Calendar**

There was none  
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**C. Monthly Reports**

There are none.  
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**D. Nominations, Appointments, Elections**

There are none.  
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**E. Unfinished Business**

There was none.  
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**F. New Business**

There was none.  
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**G. New Items with Leave of Council**

There was none.  
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**H. ADJOURN**

**ACTION:** Chairman Goss said he would accept a motion for adjournment. Councilor Ferris moved that the meeting be adjourned. The motion was seconded and passed by unanimous vote. The meeting was adjourned at 6:20 p.m.

ADJOURNED, ATTEST: \_\_\_\_\_ Ronda J. Hogan  
City Clerk

A TRUE COPY, ATTEST: \_\_\_\_\_ Brewer, Maine