

City Council Minutes

Tuesday, June 1, 2021

Special Meeting
City Hall Council Chambers

Tuesday, June 1, 2021
6:00 p.m.

The special meeting was called to order by Mayor Michele Daniels. The city clerk called the roll:

Councilor Goss-present
Councilor Morin-present
Mayor Daniels-present

Councilor Ferris-present
Councilor Phanthay-present

Mayor Daniels declared a quorum present. City Manager Stephen Bost was also present.

Mayor Daniels led members of the council and others present in reciting the pledge of allegiance to the flag of the United States of America.

Mayor Daniels read the notice for the special meeting.

TO: Michele Daniels, Soubanh Phanthay, Jerry Goss, Joseph Ferris, and Jenn Morin MEMBERS OF THE BREWER CITY COUNCIL. You are hereby given notice that a special meeting of the City Council of the City of Brewer will be held on Tuesday, June 1, 2021 at 6:00 p.m., 80 North Main Street, Brewer, Maine to consider and act on the items on the attached agenda.

s/Michele Daniels
Mayor and Chairman of the City Council
Or _____
Majority of the City Council

a true copy, attest: s/Vincent P. Migliore
City Clerk

OFFICER'S RETURN

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
Michele Daniels	Jones	CPL.	05/29/21	11:00
Soubanh Phanthay	Jones	CPL.	05/29/21	11:14
Jerry Goss	Jones	CPL.	05/29/21	11:09
Joseph L. Ferris	Jones	CPL.	05/29/21	11:10
Jenn Morin	Jones	CPL.	05/29/21	11:05

CITY COUNCIL SPECIAL MEETING
Tuesday, June 1, 2021 6:00 P.M.
Brewer City Hall Council Chambers

- I. Call to Order** (Mayor Daniels)
- II. Roll Call** (City Clerk)
- III. Pledge of Allegiance to the Flag of the United States of America** (Mayor Daniels)
- A. Meeting Minutes** (None)
- B. Awards, Petitions and Public Comments**
 - 1. Presentation: FY2022 City and School Budgets.
- C. Consent Calendar** (None)
- D. Monthly Reports** (None)
- E. Nominations, Appointments, Elections** (None)
- F. Unfinished Business** (None)
- G. New Business** (None)
- H. New Items with Leave of Council**
- I. ADJOURN**

A. Meeting Minutes

There were none.

B. Awards, Petitions and Public Comments

- 1. Presentation: FY2022 City and School Budgets.

Mayor Daniels introduced City Manager, Stephen Bost and City Finance Director, Karen Fussell, to present the city side of the Fiscal Year 2022 Budget. City Manager Bost read his overview of the proposed budget to the Council.

To: Mayor Daniels
Members of the City Council
From: Stephen Bost, City Manager
Date: May 28, 2021

Re: **FY2022 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 2022.

Last year at this time, faced with unprecedented uncertainties brought on by the COVID-19 pandemic, the City Council responded by adopting a budget that we hoped would position the City to weather the challenges ahead. I am pleased to say we appear to have succeeded. Council's approach served the City well and enabled the budget before you, which builds back to pre-COVID service levels and meets current needs without additional cost to taxpayers.

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FY2022 Budget Highlights

- The budget maintains a stable mil rate of \$22.75 per \$1,000 of assessed valuation. We expect Brewer's tax base to remain largely unchanged, but conservative estimates used in the preparation of last year's pandemic budget and the rebound of revenues in several areas have helped to offset increased expenses.
- The proposed \$14.9 million City budget increases municipal expenditures by 5.4%. After freezing union and nonunion wages last year due to economic uncertainties, we are pleased to present a budget that includes a 3% cost of living adjustment for nonunion staff as well as anticipated funding for the City's five collective bargaining contracts, which are all currently in negotiation. The budget also reflects increased costs for technology, transit, health insurance, retirement, and the ramping up of Parks and Recreation programming post-COVID.
- The City budget proposes a number of staffing changes that, on net, add one full time equivalent position to the City's roster. The Police Department has requested an additional patrol officer to help address demands on the department that continue to grow. The position would be 50% grant funded for the next three years. The elimination of a full time position in the Finance Department and a part time position in the Library has provided the opportunity to add a part time Deputy City Clerk and move part-time employees in Finance, Engineering, and Library to full time with nominal change to the overall budget.
- Municipal non-property tax revenue estimates are up \$658,000, or 10%, in this budget, offsetting over 85% of the proposed increase in expenditures. The conservative approach taken in last year's budget together with better than expected economic activity across the state has allowed us to return several revenue lines to pre-pandemic levels or better. The revenue budget estimates an additional \$210,000 (12%) in motor vehicle excise taxes and \$370,000 (44%) in revenue sharing from the state. We also expect recreation revenues to be up 3.7% above FY21 estimates. The budget also proposes to increase use of fund balance by \$58,570.
- The School Budget presented here totals \$24.53 million, or 2.3% more than FY21. This amount reflects the Council's desire, as is their purview per the City Charter, to add \$100,000 to the total approved by the School Committee on May 3, 2021 to help complete long awaited improvements to the Brewer Community School. The increase in proposed School spending is offset by a projected larger education subsidy payment from the State as well as use of fund balance accumulated as a result of pandemic savings, and does not require additional funds from Brewer taxpayers.
- Brewer's Penobscot County tax bill is increasing by 8.1%, or \$89,109, to over \$1,189,000. This larger than usual increase is driven, in part, by the \$6 million bond voters approved to replace PRCC regional dispatch communication equipment. Over the last five years, Brewer's annual County obligation has increased an average of 5.1% per year, or almost \$53,000 annually.
- The FY22 budget uses sheltered tax increment financing (TIF) revenues to offset just over \$826,000 in economic development-related general fund expenses, including the entire Economic Development Department budget and debt service on eligible state approved projects. These funds have been essential to important tax-base building initiatives such as redevelopment of the Waterfront District and construction of our very popular Riverwalk Trail.
- This budget proposes a targeted capital improvement program for FY22 that maximizes use of existing resources and limits the need to bond. The proposed \$1.9 million capital budget funds a number of

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recreation improvements including enhancements at Capri Street Park and the former public safety building lot on South Main Street and replacement of the City's tennis courts and the worn playground structure at the Ferris Community Center. The program also includes almost \$900,000 for various road and storm drain infrastructure projects as well as funding to replace a number of vehicles and pieces of equipment that have become obsolete or have met or exceeded their useful lives. Two more intersections will get battery backups to allow them to function during power outages.

- The FY22 budget anticipates an increase in the water rate. This is required to pay for debt service associated with the \$3 million low interest loan that funded the replacement of the ozone generation equipment at the Hayes Treatment Plant, which is nearing completion. The City had been scheduled to adjust rates in 2020, but postponed that action due to COVID-19. The Maine Public Utilities Commission governs Maine water rates, and the City plans to submit its adjustment request shortly, which is then followed by a mailing to all water customers as well as a public hearing. We expect rates for metered customers to increase approximately 15%, which would increase the minimum water bill by about \$10 per quarter.
- The budget proposes a modest adjustment to the sewer rate. The Sewer Department is requesting an increase of \$0.25 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, with the support of the City Council, that keeps our budget accountable, on track, and able to withstand the unexpected.

I offer my thanks, too, to our creative and dedicated City and School employees that have spent this last year adapting programs and operations in response to the pandemic. We've demonstrated to our citizens that Brewer is responsive and resilient. The budget before you is reflective of those characteristics.

I look forward to discussing the FY22 budget proposal with you.

Respectfully submitted,

Stephen Bost

ACTION: Councilor Goss complimented the accomplishments of the past year, and thanked the staff for a job well done. Councilor Phanthay expressed appreciation for the proposed-budget review workshop in making the budget process clear. Councilor Ferris commented that the amount of information in the proposed-budget book was impressive, and he thanked Karen, as well as department heads and staff. Mayor Daniels also recognized the value of the proposed-budget review workshop in preparing the Councilors. Mayor Daniels noted the hard work of the department heads keeps the budget from becoming burdensome to taxpayers.

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Mayor Daniels introduced School Superintendent, Gregg Palmer, and the School Business & Finance Director, Gretchen Gardner, to present the school side of the Fiscal Year 2022 budget. School Superintendent, Gregg Palmer gave comments on the proposed school budget.

Dear Mayor Daniels, Deputy Mayor Phanthay, Brewer City Council, and City Manager Bost:

Then the pandemic hit.

I feel like that could be the title of our common book, and that everything we've experienced this year and all the work we've done fills out the chapters of this particular novel Coronavirus year.

Including the budget which this letter outlines and that is being presented this evening, the themes of which are cautiously maintaining and adding student supports as we look forward to a recovery year, and managing federal dollars in a way that benefitted the district without causing future over reliance on that money once it expires. The School Committee's budget is up 2.3% but asks for no additional funding or tax increases.

The Brewer School Department relied on a tried-and-true set of budget steps within a familiar process in order to construct a 2021-2022 budget in order to provide stability in a year where so much changed. These steps included working with the administrative team, from December through February, to discuss needs and potential budget proposals; examining revenues; meeting with the School Committee Chair, Brewer City Manager and City Finance Director, as well as the Mayor to create a budget that both serves students and is sustainable. Our building administrators worked with staff leaders on classroom needs, and the whole draft budget was completed by April. The School Committee took up the budget and approved it through a first and second reading.

I'll mention a few of the highlights that include some new positions/programs as we also continue to manage federal dollars that are primarily dedicated to physical plant upgrades.

- adding a Tutoring Center Coordinator at BHS (100% grant funded)

These first two positions are grant-funded. Our most recent grant follows the stimulus legislation passed in Washington, and demands that 20% of the funding received be spent on helping students "catch-up", and so it can't be put toward physical plant issues, for example. Our hope is that grant will last through three years, and then we have thoughts on how we will be able to absorb the cost based on other things that will be happening with our budget over time.

- adding a social worker for the general BHS student population (100% grant funded)

We believe, based on what we've seen locally, in the state, and across the nation, there will be student needs requiring particular support in the upcoming year. They've gotten through the past year, and we're going to be helping them "unpack" what happened as they forge ahead.

- adding a Director of Student Counseling Services
- repurposing an existing instructional strategist position to create a .5 special education assistant director, .5 instructional strategist

We will be getting ready to take-on three-year-olds that have been identified as needing special support soon. We are being asked to make sure we're offering services and education to students up to their twenty-second

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birthday which is an increase by two years over where we are today, and all of that work will fall inside our Special Education Department. We may be talking about that position of Assistant Director again next year; we'll see how it goes with the .5-.5 split.

- adding 4 special education ed tech I positions for BCS to support new elementary level learners who will be joining the school department for the 2021-2022 school year

Those positions have been in our budget, but when the pandemic hit it changed things, some folks held students back. This is a need we anticipated a year ago but it is coming to fruition this year.

- hiring for all positions where staff have chosen to retire at the end of the 2020-2021 school year

I mention this because we have a few positions where folks are retiring, and our class sizes are in pretty good shape. We had to think about whether to include it in our budget, and we decided to do that, for the same reason we decided to add a social worker, we feel that this year is not a year to try and squeeze classroom sizes. So, we're rehiring those positions to return.

- adding two, general educational technician I's, at BCS
- adding one educational technician I for the purpose of study hall monitoring and other coverage at BHS

As part of the tutoring center, teachers will be spending their duty period helping students rather than watching a study hall. This position adds someone to monitor study halls so that we can create a professional duty rather than a para-professional duty for our teachers.

- funding of all departmental requested items in the building budget lines as finalized through the principals
- federal dollars funding upgrades including HVAC summer work at BHS, additional ventilation in high needs areas in both BCS and BHS, heat pumps in two wings at BCS to help create negative pressure in order to maximize ventilation and filtration, finalizing work on the BHS generator, and other work
- settlement money will finalize corrective work on three BCS wings including insulation and internal drains

While we knew, as far back as the 2019-2020 school year, we needed to plan for and create a broader array of support structures over time, the pandemic highlighted the need for this conversation and for action. The bottom line is that we did not have a broad enough set of options at BHS to support students academically (tutoring center and a coordinator) and socially/emotionally (social worker), and with the need to do more to help kids in the shadow of the past year we couldn't wait any longer. We also needed to examine, link, and coordinate the good work of our counselors across the K- 12 grade span. Our new Director of Student Counseling Services will serve as one of two high school counselors while also leading on some key high school structures and work at being the facilitator to help with that district-wide conversation.

We have worked hard to add critical supports in a way that allows us to responsibly maintain them over time.

And while we have had smaller overall numbers in kindergarten, we have chosen to maintain the six-person team going into 2021-2022 school year which is why we are hiring following a retirement at the end of this year. Again, we anticipate a COVID-effect where those young students will need smaller class sizes and all the attention and support we can muster. Similarly, we are hiring to keep an extra teacher in our biggest BCS grade, which will be 6th grade next year. Again, now is not the time to have an overcrowded grade level.

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There is also a responsibility to shepherd a budget that sets us up to resist highs and lows. We want to avoid a boom and bust cycle where we gain many programs and positions one year and have to drastically cut at the next turn. While none of us can control larger economic forces, we can within reason create a healthy financial paradigm that includes the tools needed to sustain that and minimize any negative economic slings and arrows. We want to maintain a healthy carry forward balance, and you will soon see a proposal from the School Department to create a capital reserve fund. This fund will also help to stabilize financial needs for significant building repair and maintenance expenses. This will be in addition to a \$50,000 contingency line created for 2020-2021 and that we will hold onto going into next school year.

All of this is built upon the foundation of healthy relationships focused on communication, transparency, and trust with our partners at the City, and also with folks at state level as we all work together to do right by our students, our staff, and the community.

This is a healthy budget that will carry us into 2021-2022 and hopefully beyond. We anticipate the next few years are going to be up and down when it comes to financing schools at the state and federal levels, and we will be prepared to take advantage of opportunities and also weather any unexpected/expected economic down turns.

Sincerely,

Gregg Palmer, Superintendent

ACTION: Councilor Goss praised several items in the proposed school budget, and said it is a school budget that meets the needs of our kids. Councilor Phanthay complimented the proposed school budget's attention to mental health needs in light of the COVID-19 pandemic. Reflecting on the budget process, City Manager Steve Bost commented that the relationship between the School and the City has never been better. Mayor Daniels agreed.

Public Comments

There were none.

C. Consent Calendar

There was none.

D. Monthly Reports

There were none.

E. Nominations, Appointments, Elections

There were none.

F. Unfinished Business

There was none.

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G. New Business

There was none.

H. New Items with Leave of Council

There were none.

I. ADJOURN

ACTION: Councilor Goss moved that the meeting be adjourned. Councilor Ferris seconded the motion. The motion passed by a unanimous vote. The meeting was adjourned at 6:35pm.

ADJOURNED, ATTEST: _____ Vincent P. Migliore
City Clerk

A TRUE COPY, ATTEST: _____ Brewer, Maine