



The Biddeford Beat

CITY OF BIDDEFORD WEEKLY NEWSLETTER | MONDAY, FEB 20, 2017

Volume 17.6

A1

Finding the Pieces

Event: Press Conference
Date: Tuesday, Feb 21, 2017
Time: 1:00 pm ET
Description: Mayor speaks about new Summer Camp in Biddeford for children with autism.
Location: Biddeford City Hall Council Chambers
 205 Main Street, 2nd Floor
Contact: [Andrea Fagan](#)
Contact Ph: 207-284-9313



Goals Setting Process: Continued Success

Melody Beattie, an American Self-Help Author wrote, *“The new year stands before us like a chapter in a book, waiting to be written. We can help write that story by setting goals.”* This statement is true for an organization as it is for a community. Recently, the Mayor and City Council went through the process of setting goals for your community. This is the second time they have done that. In the January 9, 2017 (v17.1) issue of the ‘Beat’, we wrote about the 2016-2017 goals and the community’s success in achieving the goals for the past year. As a reminder, your elected leaders, incorporation of the hard-working employees, achieved the following results:

- All 55 goals: 86% of the goals were either completed or nearly completed.
- Critical Items: 100% of the goals met.
- High Priority Items: 75% were completed or nearly completed.
- Medium Priority Items: 94% were completed.
- Low Priority Items: 80% were completed

The goal setting process is done annually. *(continued on A2)*

UPCOMING MEETINGS

Mon Feb 20

ALL DAY - Biddeford Municipal Offices Closed

Tue Feb 21

4:45pm - Finance Committee
 (City Hall Council Chambers)

5:00pm - Capital Projects
 (City Hall 2nd Floor Conference Room)

5:30pm – City Council Workshop
 (City Hall Council Chambers)

6:00pm - City Council Meeting
 (City Hall Council Chambers)

Wed Feb 22

6:00pm – Strategic Planning Subcommittee
 (City Hall City Manager Office)

For Full Calendar, [click here](#)

Mayor Casavant Delivers State of City Address

On Tuesday, February 7, 2017, Mayor Alan Casavant delivered the State of the City Address for 2017 during the City Council meeting. A copy of the complete speech may be seen online, [click here](#). To watch video of Mayor Casavant address to Council, [click here](#).

Bond Rating Results

In the fall of 2015, the voters authorized borrowing nearly \$10 million dollars to upgrade roads and completed federal mandated combined sewer overflow work. Recently the City completed the borrowing process. For the vast majority of municipal borrowing, they issue bonds. That process takes several weeks.

As part of the bond process, the credit worthiness of the community is generally reviewed by the two principle rating agencies; Moody’s and Standard & Poor’s (S&P). *(continued on A2)*

*(continued from AI **Bond Rating**)*

Some of 80,000 agencies that issue municipal bonds will also use the services of Fitch. Our community only uses the first two services; the industry standard in the northeast.

Rating agencies review each issuer on five major categories: debt structure, demographic factors, economy, financial condition and management practices. Each of these are reviewed in detail to advise the market place (i.e. buyers of the bonds) the risks they might be assuming in the purchasing of the bonds. The risks are assigned a rating by each of the reviewers rating agencies. The lower the raking, the higher the perceived risk which means the higher the interest rate that will have to be paid by the community. The latest review by the agencies rank Biddeford as follows:

- **Standard & Poor's:** AA-; this is considered high quality investment grade ranking. Only a rating of AAA would be considered higher (best quality). In the high quality ranking, the AA- is considered the lowest of the three available (AA+, AA, AA-).
- **Moody's:** Aa3; this is also considered the highest quality ranking on the Moody's scale. Aaa is considered the Best quality. Like S&P, it the lowest level in the highest quality scale (Aa1, Aa2, Aa3).

In addition to the rating, the agencies may assign a predicted outlook on the ranking. Those outlooks can either be positive, stable or negative, depending on the challenges that the community may be facing in the next several years. While both agencies have ranked the community as high quality investment grade, each have a different outlook. S&P sees the future as stable; Moody's saw a negative outlook.

The positives that were expressed by the rating agencies included:

- Strong economy
- Strong budgetary performance in FY16 because of the operational surplus after serval years of using the City's unassigned fund balance
- Growth in local valuation because of the rebirth of the downtown area
- Diverse tax base
- Very strong liquidity
- Aggressive action to reduce the long term unfunded pension and other post benefit benefits
- Standard financial practices and procedures/policies that supports adequate management.

The negatives that were expressed by the rating agencies included:

- Several years (2010 to 2015) of reduced unassigned fund balance prior to the last fiscal year (July 1, 2015 to June 30, 2016)
- Moody's noted that the \$4,200,000 interfund loan from the City's general fund to the waste water treatment plant (sewer) fund as well as the annual payment of \$600,000 from general taxes as a concern.
- S&P considered the city's debt and contingency liability 'adequate'; Moody's considered the City's debt and contingency liability 'elevated'.

*(continued from AI **Goals Setting**)*

However, the work plan (goals established) are intended to cover a twelve to eighteen month period. As a result, some of the goals are planned to be unfinished during the year. Those are carried forward into the next year's work plan.

At the February 1, 2017 meeting, the City Council adopted the 2017-2019 work plan. The details can be found on City's home page <http://www.biddefordmaine.org/>. With 13 goals uncompleted from the 2016-2017 goals and 49 new goals for the upcoming 12 to 18 months, it will be another busy year for the City. If you have any questions about the goals, please feel free to contact the Mayor, any member of the City Council, or the City Manager.



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For questions or comments:

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Thank you for reading.