

The City Of *Sanford, Maine* Village of Springvale

Budget Committee Meeting Minutes March 3, 2016, 6:00 PM City Hall Annex, 3rd Floor Council Chambers

1. **Call to Order:** Meeting Called to order by Mayor Tom Cote at 6:08 pm
2. **Pledge of Allegiance**
3. **City Clerk Sue Cote swears in At Large Members:** Bruce Knight, James Drummey, Wes Davie and Lance Hoenig.

Budget Committee Members Present: Bruce Knight, James Drummey, Wes Davie and Lance Hoenig, Mayor Tom Cote, Councilor Fred Smith, Councilor Maura Herlihy. **Others Present:** City Finance Director Ronni Champlin, City Manager Steve Buck, Superintendent David Theoharides, School Business Manager Gwen Bedell.

a. **Audience Participants:**

- i. School Committee: Jonathan Mapes,
- ii. Staff: Sue Cote, City Clerk; Assistant Superintendent Matt Nelson

New Business:

4. **Election of Chairperson for 2016/2017 Budget Committee**
 - a. Motion to nominate Lance Hoenig made by James Drummey, seconded by Maura Herlihy
 - b. Nominations cease.
 - c. Vote 7-0 to appoint Lance Hoenig as Chairperson for 2016/2017 Budget Committee.
5. **Election of Vice-Chairperson for 2016/2017 Budget Committee**
 - a. Motion by Fred Smith to nominate James Drummey is declined.
 - b. Motion to nominate Wes Davie made by James Drummey, seconded by Mayor Tom Cote
 - c. Nominations cease
 - d. Vote 7-0 to appoint Wes Davey as Vice -Chairperson for 2016/2017 Budget Committee
6. **Election of Secretary for 2015/2016 Budget Committee**
 - a. Motion to nominate Councilor Maura Herlihy made by Fred Smith, seconded by Mayor Cote
 - b. Nominations cease
 - c. Vote 6-0 to appoint Maura Herlihy as Secretary for 2016/2017 Budget Committee.
7. **Establish Rules of Procedure**
 - a. Motion to use Roberts Rules of Order made by Fred Smith, seconded by Bruce Knight
 - b. Vote 7-0 to use Roberts Rules of Order for 2016/2017 Budget Committee Rules of Procedure.
8. **Presentation – Overview of the 2016/2017 Budget for the City and School**
 - a. Presentation made by City Manager Steve Buck

Slides begin on next page. 1st slide is an overall look at 14/15, 15/16 and the proposed 16/17.

Comparison of FY 15/16 to FY 16/17 - This Year		
Municipal Impacts		FY 16 vs. FY 17
Expense	\$ 21,465,099	\$ 818,789
Debt Service	\$ 827,604	\$ 38,099
Total Appropriation	\$ 22,292,703	\$ 856,888
Revenue	\$ (8,788,849)	\$ 573,987
Use of Fund Balance/Carry Forward	\$ (850,000)	\$ -
Net Appropriation Net Operations	\$ 12,653,854	\$ 282,901
CIP	\$ 2,092,757	\$ 318,674
Total Appropriation with CIP	\$ 14,746,611	\$ 601,575
School Impacts		FY 16 vs. FY 17
Expense	\$ 37,817,634	\$ 1,720,980
Debt Service	\$ -	\$ -
Total Appropriation	\$ 37,817,634	\$ 1,720,980
Revenue	\$ (23,545,249)	\$ 1,327,510
Use of Fund Balance/Carry Forward	\$ -	\$ -
Net Appropriation Net Operations	\$ 14,272,385	\$ 393,470
CIP	\$ 341,296	\$ 100,000
Total Appropriation with CIP	\$ 14,613,681	\$ 493,470

Comparison of FY 14/15 to FY 15/16 - Last Year		
Municipal Impacts		FY 15 vs. FY 16
Expense	\$ 20,646,310	\$ (12,238)
Debt Service	\$ 789,505	\$ (152,986)
Total Appropriation	\$ 21,435,815	\$ (165,224)
Revenue	\$ (8,214,862)	\$ (383,607)
Use of Fund Balance/Carry Forward	\$ (850,000)	\$ -
Net Appropriation Net Operations	\$ 12,370,953	\$ 218,383
CIP	\$ 1,774,083	\$ 217,755
Total Appropriation with CIP	\$ 14,145,036	\$ 436,138
School Impacts		FY 15 vs. FY 16
Expense	\$ 36,096,654	\$ 963,976
Debt Service	\$ -	\$ -
Total Appropriation	\$ 36,096,654	\$ 963,976
Revenue	\$ (22,217,739)	\$ 942,331
Use of Fund Balance/Carry Forward	\$ -	\$ -
Net Appropriation Net Operations	\$ 13,878,915	\$ 21,645
CIP	\$ 241,296	\$ 107,506
Total Appropriation with CIP	\$ 14,120,211	\$ 129,151

Highlights from [spreadsheets for Year to Year Budget Comparisons](#)

- i. Overall budget impacts from FY 14/15 to FY 15/16.
 1. School Impact: increase of \$ 129,151
 2. City Impact: increase of \$ 436,138
3. Total Net Change per \$ 1,000 of valuation: \$ 0.4204 or 1.94%.

FY 15 vs. FY 16		
Combined Expense	\$ 57,532,469	
Combined CIP	\$ 2,015,379	
County Tax	\$ 818,859	
Total Appropriation	\$ 60,366,707	
Combined Revenue	\$ (30,432,601)	
Combined Use of Fund Balance	\$ (850,000)	
Net Appropriation	\$ 29,084,106	
Mil Rate for Municipal & School	\$ 22.04	
FY 15	\$ 21.62	
Total Net Change/\$1,000	\$ 0.42	1.94%

Comparison of FY 14/15 to FY 15/16 - Last Year		
Municipal Impacts		FY 15 vs. FY 16
Expense	\$ 20,646,310	\$ (12,238)
Debt Service	\$ 789,505	\$ (152,986)
Total Appropriation	\$ 21,435,815	\$ (165,224)
Revenue	\$ (8,214,862)	\$ (383,607)
Use of Fund Balance/Carry Forward	\$ (850,000)	\$ -
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Debt Service	\$ -	\$ -
Total Appropriation	\$ 36,096,654	\$ 963,976
Revenue	\$ (22,217,739)	\$ 942,331
Use of Fund Balance/Carry Forward	\$ -	\$ -
Net Appropriation Net Operations	\$ 13,878,915	\$ 21,645
CIP	\$ 241,296	\$ 107,506
Total Appropriation with CIP	\$ 14,120,211	\$ 129,151

ii. PROPOSED Overall budget impacts from FY 15/16 to 16/17 (Slides Below)

1. School Impact: increase of \$ 493,470.00
2. City Impact: increase of \$ 601,575.00
3. Total Net Change per \$ 1,000 valuation: \$ 0.82 or 3.72%.
 - a. Due to Operations: 2.33%
 - b. Due to CIP Increase mandated by City Charter: 1.44%

Comparison of FY 15/16 to FY 16/17 - This Year		
Municipal Impacts		FY 16 vs. FY 17
Expense	\$ 21,465,099	\$ 818,789
Debt Service	\$ 827,604	\$ 38,099
Total Appropriation	\$ 22,292,703	\$ 856,888
Revenue	\$ (8,788,849)	\$ 573,987
Use of Fund Balance/Carry Forward	\$ (850,000)	\$ -
Net Appropriation Net Operations	\$ 12,653,854	\$ 282,901
CIP	\$ 2,092,757	\$ 318,674
Total Appropriation with CIP	\$ 14,746,611	\$ 601,575
School Impacts		FY 16 vs. FY 17
Expense	\$ 37,817,634	\$ 1,720,980
Debt Service	\$ -	\$ -
Total Appropriation	\$ 37,817,634	\$ 1,720,980
Revenue	\$ (23,545,249)	\$ 1,327,510
Use of Fund Balance/Carry Forward	\$ -	\$ -
Net Appropriation Net Operations	\$ 14,272,385	\$ 393,470
CIP	\$ 341,296	\$ 100,000
Total Appropriation with CIP	\$ 14,613,681	\$ 493,470

FY 16 vs. FY 17		Net Change LY
Combined Expense	\$ 60,110,337	\$ 2,577,868
Combined CIP	\$ 2,434,053	\$ 418,674
County Tax	\$ 818,859	\$ -
Total Appropriation	\$ 63,363,249	\$ 2,996,542
Combined Revenue	\$ (32,334,098)	\$ (1,901,497)
Combined Use of Fund Balance	\$ (850,000)	\$ -
Net Appropriation	\$ 30,179,151	\$ 1,095,045
Mil Rate for Municipal & School	\$ 22.86	\$ 0.82
FY 16	\$ 22.04	
Total Net Change/\$1,000	\$ 0.82	3.72%
Net Appropriation due to Operations	\$ 676,371	2.33%
Net Appropriation due to CIP*	\$ 418,674	1.44%
*Mandate 4% or \$318,674		

iii. Attached slide for Resource Allocation and Net Taxation.

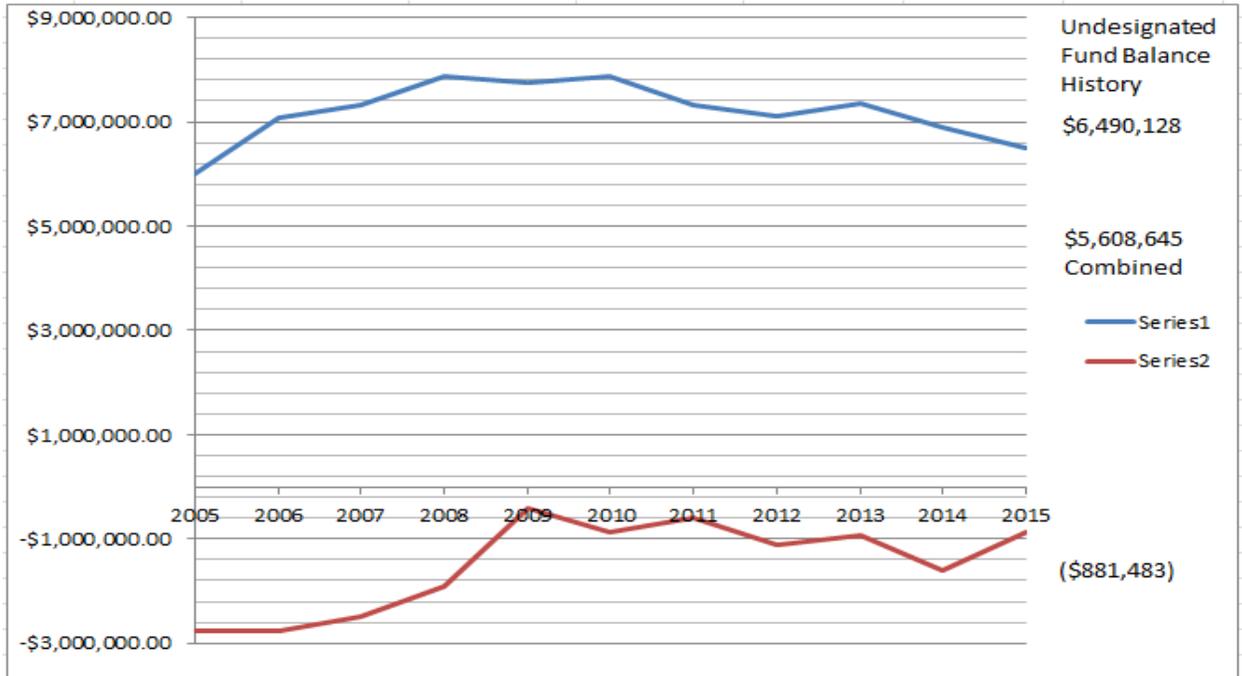
Resource Allocation and Net Taxation		
Expense Budget Comparisons		
Municipal	\$ 22,292,703	37.09%
School	\$ 37,817,634	62.91%
2-Year Net Increase to Expense		
Municipal	\$ 691,664	20.48%
School	\$ 2,684,956	79.52%
Non-Property Tax Revenue		
Municipal	\$ (8,788,849)	27.18%
School	\$ (23,545,249)	72.82%
2-Year Net Increase to Revenue		
Municipal	\$ 190,380	7.74%
School	\$ 2,269,841	92.26%
Net Appropriations Operations		
Municipal	\$ 12,653,854	46.99%
School	\$ 14,272,385	53.01%
Net Use of CIP		
Municipal	\$ 2,092,757	85.98%
School	\$ 341,296	14.02%
Total Appropriations with CIP		
Municipal	\$ 14,746,611	50.23%
School	\$ 14,613,681	49.77%

iv. Attached slide for Undesignated Fund Balance

1. Combined Fund Balance of \$ 5,608,645

a. School is negative (\$881,483)

b. City is positive \$ 6,490,128



c. Discussion of City Manager's presentation

9. Set Agenda for next Budget Committee meeting – March 10, 2016

- a.** A Combined School and Municipal Presentation that goes into further detail on each budget and the major areas of change on both the Municipal and School sides of the Budget.
- b.** Comparisons to communities around us. How have taxes in other communities increased over the past several years?

10. Public Participation: NONE

11. Budget Committee Member Comments

- a.** Mayor Tom Cote: Concerned about reduction of service but an increased expense on the School side. City increase shows a proposed increase of service with the increase in expense.
- b.** James Drummey: Positive about the Revenue improvements. Hopeful that the next few years continue to go that way.
- c.** Lance Hoenig: Commented on goals from prior year. Revenue increases, CIP, Bonds, School improvements.. If we don't invest in our community we will slowly die. Cannot maintain low increases indefinitely.

12. Adjourn: Declared adjourned by Chairperson Lance Hoenig at 7:14 pm.