

The City Of *Sanford, Maine* Village of Springvale

Budget Committee Meeting Minutes March 16, 2017, 6:00 PM City Hall Annex, 3rd Floor Council Chambers

1. **Call to Order:** Meeting Called to order by Lance Hoenig @ 6:02 pm
2. **Pledge of Allegiance**
3. **Roll-Call:** Bruce Knight, Deputy Mayor Maura Herlihy, Mayor Tom Cote, Lance Hoenig, City Councilor Luke Lanigan, James Drummey. Wes Davie
 - a. **Staff:** City Manager Steve Buck, City Finance Director Ronni Champlin, City Treasurer Paula Simpson, Superintendent David Theoharides, School Business Administrator Gwen Bedell Gabois.
 - b. **Audience Participants:**
 - i. School Committee: John Roux, Kendra Williams, Scott Sheppard,
 - ii. City Council: Councilor Joseph Hanslip
 - iii. Staff: Assistant Superintendent Matt Nelson, Athletic Director Gordie Salls, Junior High Principal Pamela Lydon, Special Education Director Stacey Bissell, Curriculum Director Bernie Flynn, Assistant Curriculum Director Beth Lambert, Adult Education Director Alan Lampert, Fire Chief Benotti
4. **Adjustments to the Agenda:**
 - a. Motion by Maura Herlihy, seconded by James Drummey to add an agenda item to discuss Budget Materials to the end of the agenda. 7-0 to approve.
5. **Approval of the March 9, 2017 Meeting Minutes:** Motion to approve made by Tom Cote, seconded by Bruce Knight. 7-0 to approve.
6. **Public Participation: None**

OLD BUSINESS: To take action, if appropriate, on the following:

- a. No Old Business

NEW BUSINESS: To take action, if appropriate, on the following:

7: 2017/2018 Municipal Budget Presentation

FY 17/18 BUDGET CITY OF SANFORD

MUNICIPAL & SCHOOL OPERATIONS & CIP

By: Steven R. Buck, City Manager
& Gwen R. Bedell, School Business Admin.

Budget Committee Presentation
March 16, 2017

Opening Comments

NET APPROPRIATION FOR FISCAL YEAR 2017 VS. 2018

FY 17 vs. FY 18		Net Change LY
Combined Expense	\$ 66,067,923.00	\$ 6,011,790.00
Combined CIP	\$ 2,351,657.00	\$ 17,604.00
County Tax	\$ 812,539.00	\$ -
Total Appropriation	\$ 69,232,119.00	\$ 6,029,394.00
Combined Revenue	\$ (37,076,461.00)	\$ (4,530,913.00)
Combined Use of Fund Balance	\$ (1,575,000.00)	\$ (725,000.00)
New Appropriation	\$ 30,580,658.00	\$ 773,481.00
Mil Rate for Municipal & School FY 18	\$ 23.33	\$ 0.5900
FY 17	\$ 22.74	
Total Net Change/\$1,000	\$ 0.5900	2.59%
Net Appropriation due to Operations	\$ 755,877.00	2.54%
Net Appropriation due to CIP Mandate	\$ 17,604.00	0.06%
4% Charter Mandate \$100,694 (\$83,090)		

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CIP Amount is the Charter mandated minimum of 4% of the prior year's combined City and School Budgets.

MUNICIPAL SUMMARY

Source or Use of Funds	16/17 Budgeted Amount	17/18 Budgeted Amount	Variance (17/18 vs. 16/17)
Operational Expenses	\$22,222,499	\$22,968,611	+\$746,112 +3.4%
-Revenues + Use of Fund Bal.	<u>\$9,673,284</u>	<u>\$10,127,557</u>	<u>+\$454,273</u> +4.7%
=Net Tax from Operations	\$12,549,215	\$12,841,054	+291,839 +2.3%
+ CIP	<u>\$2,042,757</u>	<u>\$2,042,757</u>	+0.0 +0.0%
=Total Net Taxation Excl. County Tax	\$14,591,972	\$14,883,811	+\$291,839 +2.0%

City of
Sanford

FY 17/18

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Review

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SCHOOL SUMMARY

Source or Use of Funds	16/17 Budgeted Amount	17/18 Budgeted Amount	Variance (17/18 vs. 16/17)
Operations:	\$36,964,025	\$42,252,768	+ \$5,288,743
General Ed + Adult Ed	<u>+ \$869,609</u> \$37,833,634	<u>+ \$846,544</u> \$43,099,312	<u>-\$23,065</u> + \$5,265,678
Revenues:	\$23,346,314	\$28,159,904	+ \$4,813,590
Gen. Ed. Adult Ed.	<u>+ \$375,950</u> <u>\$23,722,264</u>	<u>+ \$364,000</u> <u>\$28,523,904</u>	<u>-\$11,950</u> + \$4,801,640
- Total Revenue			
= Net Tax from Operations	\$14,111,370	\$14,575,408	+ \$464,038 + 3.29%
+ CIP	<u>\$291,296</u>	<u>\$308,900</u>	+ \$17,604
= Total Net Taxation	\$14,402,666	\$14,884,308	+ 481,642 + 3.34%

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CONSOLIDATED EXPENSES

Use of Funds	16/17 Budgeted Expense	17/18 Budgeted Expense	Variance (17/18 vs. 16/17)
Municipal:			
Operations	\$22,222,499	\$22,968,611	+ \$746,112
CIP	<u>\$2,042,757</u>	<u>\$2,042,757</u>	<u>+\$0</u>
Total	\$24,265,256	\$25,011,368	+\$746,112
School:			
Operations	\$37,833,634	\$43,099,312	+ \$5,265,678
CIP	<u>\$291,296</u>	<u>\$308,900</u>	<u>+\$17,604</u>
Total	\$38,124,930	\$43,408,212	+ \$5,283,282
Consolidated:			
Operations	\$60,056,133	\$66,067,923	+ \$6,011,790
CIP	<u>\$2,334,053</u>	<u>\$2,351,657</u>	<u>+ 17,604</u>
Total	\$62,390,186	\$68,419,580	+ \$6,029,394 + 9.6%

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CONSOLIDATED REVENUES

Source Of Funds	16/17 Budgeted Revenue	17/18 Budgeted Revenue	Variance (17/18 vs. 16/17)
Municipal w/ Use of Fund Balance	\$9,673,284	\$10,127,557	+ \$454,273 +4.7%
School w/Use of Fund Balance	<u>\$23,722,264</u>	<u>\$28,523,904</u>	<u>+ \$4,801,640</u> +20.24%
Total	\$33,395,548	\$38,651,461	+ \$5,255,913 +15.7%

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CONSOLIDATED SUMMARY

Source or Use of Funds	16/17 Budgeted Amount	17/18 Budgeted Amount	Variance (17/18 vs. 16/17)
Operational & County Exp	\$60,056,133 \$812,539	\$66,067,923 \$812,539	+ \$6,011,790 + \$0
- Revenues & Fund Bal.	\$32,545,548 \$850,000	\$37,076,461 \$1,575,000	+ \$4,530,913 +\$725,000
= Net Tax from Operations	\$27,473,124	\$28,229,001	+ \$755,877 + 2.75%
+ CIP	<u>\$2,334,053</u>	<u>\$2,351,657</u>	+ \$17,604 + .75%
= Total Net Taxation	\$29,807,177	\$30,580,658	+ \$773,481 + 2.59%

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SCHOOL CAPITAL IMPROVEMENT PLAN SUMMARY FOR 2017/2018

Capital Improvements 2018-2022 As of 2.27.17

Area	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
Roof Systems (Bond Nec.)		\$75,000	\$21,000	\$21,000	\$21,000
Ext. Walls	60,000	53,500	51,300	29,900	30,000
HVAC	20,000	20,000	20,000	20,000	20,000
Electrical	29,000	34,800	17,600	18,800	18,800
Plumbing	15,300	15,300	15,300	15,300	15,300
Interior Trim (inc. SRRF)	48,950	30,950	41,400	48,900	46,400
Fire & Safety	21,000	23,400	27,800	10,800	10,800
ADA Comp.	17,400	14,750	11,600	11,200	11,200
Site Improv.	49,250	13,125	13,125	13,125	13,125
Vehicles	48,000	104,000	84,000	0	0
Totals:	\$308,900	\$384,825	\$303,125	\$189,025	\$186,625

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MUNICIPAL CAPITAL IMPROVEMENT PLAN SUMMARY FOR 2017/2018

• Planning	\$ 40,000
• Police Department	\$ 119,752
• Fire Department	\$ 249,541
• Airport	\$ 136,302
• Parks, Recreation & Facilities	\$ 149,100
• Public Works Department	\$1,426,198
<small>• 50% Charter mandate for non-rolling stock Infrastructure \$1,217,374</small>	
• Information Systems	<u>\$ 81,002</u>
Municipal CIP	\$2,201,895
-Offsetting Revenue	<u>\$ -159,138</u>
2017/2018 CIP	\$2,042,757

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8. Joint Public Hearing – City Council, School Committee, Budget Committee

- a. **Roland Cote** No comments. Will speak to School Committee about his issues
- b. **Shawn Cogswell:** Request to add High School Boys Lacrosse to the Budget. Fairly large boys Lacrosse thru SSYAA. Currently has a High School Club, not a Varsity team. Would like the opportunity to play Varsity teams from other Maine Class A Teams. Chairman Hoenig recommended that he speak with the School Committee as well.

Chairman Hoenig declared the Joint Public Hearing closed.

9. Detailed Presentation – School Budget

**FY 17/18 BUDGET
SANFORD SCHOOL
DEPT. OPERATIONS,
CIP & ADULT ED**

By: **Gwen R. Bedell Gadbois, CPA, CFE**
Business Administrator

Budget Committee Presentation
March 16, 2017



Opening Comments

SCHOOL SUMMARY

Source or Use of Funds	16/17 Budgeted Amount	17/18 Budgeted Amount	Variance (17/18 vs. 16/17)
Operations:			
Gen. Ed.	\$37,833,634	\$43,099,312	+ \$5,265,678 + 13.9%
+ Adult Ed			
Revenues:			
Gen. Ed. + FB			+ \$4,801,640 + 20.2%
Adult Ed.	\$23,722,264	\$28,523,904	
Total Revenue			
= Net Tax from Operations	\$14,111,370	\$14,575,408	+ \$464,038 + 3.3%
+ CIP	\$291,296	\$308,900	+ \$17,604
= Total Net Taxation	\$14,402,666	\$14,884,308	+ \$481,642 + 3.3%

Sanford
School
Department

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4 million dollars of the Increase is the High School Debt which is largely paid by the State of Maine. The offsetting Revenue is part of the increased revenue.

The Increase does include the bond interest for the High School.

SCHOOL SUMMARY

Source or Use of Funds	16/17 Budgeted Amount	17/18 Budgeted Amount	Variance (17/18 vs. 16/17)
Ordinary Operating Exp. + CIP + Adult Ed	\$38,124,926	\$42,891,971	+ \$4,767,045 + 12.5% (\$4M debt)
- Revenues & Use of Fund Bal.	<u>23,722,264</u>	<u>28,523,904</u>	+ 4,801,640 + 20.2% 3.6M debt + 600K EPS + 725K Fund Balance
= Net Tax from Ord. Operations	\$14,402,662	\$14,368,067	- \$34,595 - 0.24%
+ Extraordinary Expenses: Expanded Activities, Debt, PAC Manager	0	68,426 422,815 <u>25,000</u>	+ 516,241 (100%)
= Total Net Taxation	<u>\$14,402,662</u>	<u>\$14,884,308</u>	+ \$481,646 + 3.3%

Sanford School Department

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- Break down of Revenues: Up \$ 3.6 Million from State for debt. \$ 600,000 EPS, \$ 725,000 use of Fund Balance
- Break down of Extraordinary expenses:
 - \$ 68,426: Reinstatement of Freshman sports and expansion/addition of 15 clubs.
 - \$ 422,815: Local only portion of the HS debt
 - \$ 25,000: Performing Arts Manager.

GENERAL EDUCATION NON-LOCAL REVENUES

Source	14/15 Actual	15/16 Actual	16/17 Budget	17/18 Preliminary	Variance (17/18 vs. 16/17)
State Subsidy [EPS/E279]	\$18,945,853	\$20,740,060	\$21,898,748	\$26,111,404	+ \$4,212,656 (19%) (\$3.6M for Debt - A10)
Tuition from Other Districts	\$1,112,753	\$967,280	\$1,035,000	\$995,000	-\$40,000 (3.9%)
State Agency Clients	\$190,335	\$218,732	\$200,000	\$200,000	\$ - No Change
Adult Ed, All Other & Fund Balance	<u>\$787,077</u>	<u>\$434,453</u>	<u>\$588,518</u>	<u>\$1,217,500</u>	\$628,984 (107%) (\$725K Fund Bal.)
Total Non-Local Revenue	\$21,016,018	\$22,380,525	\$23,722,264	\$28,523,904	+ \$4,801,640 (20.2%)

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- \$ 3.6 million increase in revenues is for school debt.
- \$ 612,656 increase would be EPS or other, separate from school debt.
- Deduction of \$ 40,000 for out of district tuition. (Decline in Acton's overall enrollment)
- "All Other" shows the \$ 725K carry over from prior year.

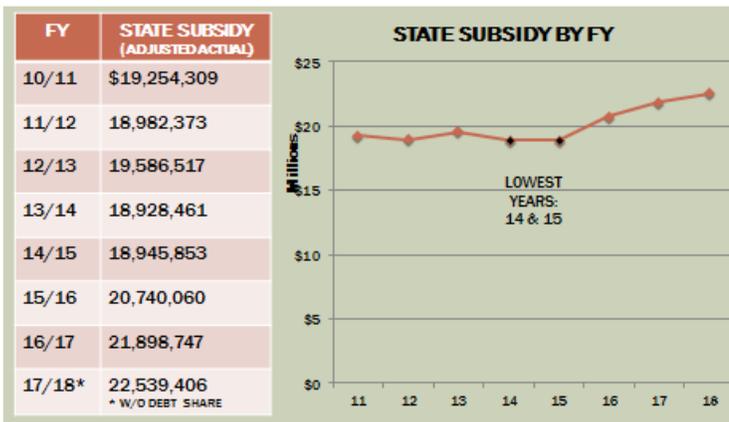
GENERAL EDUCATION STATE SUBSIDY REVENUE

Component of EPS	2014/2015 Actual	2015/2016 Actual	2016/2017 Unadjusted	2017/2018 Preliminary	Variance (17/18 vs. 16/17)
Basic Operating Allocation	\$23,045,177	\$23,225,741	\$23,737,435	\$23,330,178	- \$407,257 - 1.7%
Gifted & Talented	\$102,701	\$133,677	\$92,861	\$85,525	-\$7,336
Special Education	\$4,249,625	\$5,485,431	\$5,484,358	\$6,090,003	+ \$605,645 +11%
Career & Tech. Ed.	\$1,298,449	\$1,504,939	\$1,729,770	\$1,838,175	+ \$108,405 + 6.3%
Transportation & Debt Service	\$1,502,895 \$0	\$1,526,94 \$0	\$1,618,896 \$9,707	\$1,643,180 \$3,583,646	+ \$24,284 + \$3,573,939
Teach. Retire.(Wash)	<u>\$466,764</u>	<u>\$618,509</u>	<u>\$640,157</u>	<u>\$738,277</u>	+ \$98,120 +15%
EPS @ 97%	\$30,665,611	\$32,495,238	\$33,313,184	\$37,308,984	\$3,995,800 + 12%
State Share (\$ and %)	\$18,945,853 62.0%	\$20,740,060 63.0%	\$21,898,748 65.7%	\$26,111,404 70.0%	\$4,212,656 + 19.2%

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- Looking at a loss in State subsidy for Basic Operating of (\$ 407,257)
- Gifted & Talented is relative flat with (\$ 7336)
- Large increase in Special Ed \$ 605,645
- CTE increase of \$ 108,405
- Transportation \$ 24,284
- Debt Service \$ 3,573,939 (High School)
- Teacher Retirement \$ 98,120 Collect Revenue, run thru system and pay it out to the Maine Retirement System. Pass thru.
- EPS is based on current Governor's Budget.

SANFORD: STATE SUBSIDY 8-YR HISTORY



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So far: Deducted Administration but corrected funding of Title I. Essentially, changes in the Governor's proposed budget are a wash for Sanford.

2016 LEGISLATION PASSED: Allows a school district to include an article in the warrant for its annual budget meeting that says in the event the district received more **state subsidy** than expected, the school board without a special budget meeting or budget validation referendum, increase expenditures for school purposes in approved cost centers, increase reserves or lower the local share of education.

STATE SUBSIDY VARIATIONS - MAINE

SOURCE: PORTLAND PRESS HERALD

LOCATION	17/18	16/17	GAIN (LOSS)	% CHANGE
Auburn	\$20,945,882	\$21,373,337	-\$427,455	-2.0%
Bangor	16,525,337	16,554,116	-28,779	-0.17%
Biddeford	11,589,138	10,644,669	+944,469	+8.9%
Gorham	18,704,439	18,518,372	+186,067	+1.0%
RSU 22	18,154,456	18,269,598	-115,142	-0.6%
RSU 35 (Mars)	11,201,260	11,969,766	-768,506	-6.4%
RSU 54 (Skow)	17,820,606	18,699,385	-878,779	-4.7%
RSU 57 (Mass)	13,545,673	14,464,962	-919,289	-6.4%
RSU 60 (Noble)	19,185,112	19,699,078	-513,966	-2.6%
Sanford (w/o debt subsidy)	22,539,406	21,898,747	+640,659	+2.9%

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Slide to show the large fluctuations in State Subsidy currently proposed for 17/18

SCHOOL EXPENSES

Use of Funds	16/17 Budgeted Expense	17/18 Budgeted Expense	Variance (17/18 vs. 16/17)
General Education	\$36,964,021	\$42,252,768	+ \$5,288,747 (\$4 Million Debt) +14.3%
Plus: Adult Education	\$869,609	\$846,544	- \$23,065 -2.65%
Plus: Capital Improvement Plan	<u>\$291,296</u>	<u>\$308,900</u>	+ \$17,604 +6.0%
All Education Expenses	\$38,124,926	\$43,408,212	+ \$5,283,286 +13.9%

Sanford School Dept

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Budget Review

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GENERAL EDUCATION & CIP EXPENSES BY FUNCTION [EXCLUDES ADULT ED]

Expense Classification	2015/2016 Actual	2016/2017 Revised Budget	2017/2018 Proposed Budget	Variance (17/18 vs. 16/17)
Salaries, Taxes & Benefits (51-52)	\$27,561,093	\$29,587,513	\$31,060,338	+ \$1,472,825 (5.0%) Sal & Ben: District-wide, 15% HI Increase, Restored Guidance, Psychologist, Shared HS/CTE Admin, Special Ed Ed Tech, Reinstated Coaches for Sports & New Clubs
Purchased Prof. & Tech Services (53)	1,487,807	2,194,235	2,070,945	- 123,290 (5.6%) Pre-K Program Changes, NEASC Accreditation Done, CIP Rents
Property & Gen. Ops. (54-55)	3,217,189	3,152,814	3,189,216	+ 36,402 (1.2%) Transportation Contracted Increase
Supplies & Energy (56)	1,412,079	1,541,214	1,560,100	+ 18,886 (1.2%) Curriculum Increase Offset by Lower Energy
Equipment & Technology (57)	311,082	337,344	367,657	+ 30,313 (9.0%) CIP Vehicle
Dues, Debts & Other (58-59)	402,074	442,197	4,313,412	+ 3,871,215 (876%) \$4Million Debt Payment (details to follow)
Total Expenses	\$34,391,326	\$37,255,317	\$42,561,668	+ 5,306,351 (14.2%) 75% of that Increase is for Debt

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- Salaries & Benefits:
 - 15% increase in Health Insurance.
 - Restored a Guidance position shared between Williard and CJL.
 - JH Psychologist for Special Ed.
 - Restore a full time administrator for CTE, no longer share it with HS.
 - New Special Ed Tech.
 - Clubs & Freshman Sports.
- Outside Services
 - Decrease is largely due to restructuring of Pre-school program.

GENERAL EDUCATION & CIP EXPENSES BY COST CENTER (1 OF 2) [EXC. ADULT ED.]

Warrant Article Cost Center	2015/2016 Actual	2016/2017 Revised Budget	2017/2018 Proposed Budget	Variance (17/18 vs. 16/17)
1. Regular Instruction	\$13,796,384	\$15,071,606	\$15,328,962	+\$257,356 (1.7%) Salary & Benefit: Teachers & Ed Techs, Pre-K Savings, HS Teacher to CTE
2. Special Education	6,447,591	7,259,105	7,832,188	+\$573,083 (7.9%) Sal & Ben: Teachers & Ed Techs, Add JH Psychologist & Special Ed Ed Tech
3. Career & Technical Education	1,811,010	1,995,897	2,340,132	+\$344,235 (17.2%) Sal & Ben: Teachers, Convert P/T Admin to F/T, Moved HS Teacher (A1) & Custodians(AB) to CTE for better funding
4. Other Instruction	881,999	960,267	1,024,411	+\$64,144 (6.7%) Sal & Ben: Coaches, Expanded Sports & Arts Activities (detail to follow)
5. Student & Staff Support	3,063,111	3,244,009	3,537,796	+\$293,787 (9.1%) Sal & Ben: Guid/Lib/Nurse/Tech, Restored Guidance Counselor, Replaced Outdated Curriculum to Meet Proficiency-Based Grad. Requirements and Technology
6. System Administration	794,531	807,325	848,457	+\$41,132 (5.1%) Sal & Ben: Central Office, Loss of State-Funded P/T CO Support Personnel

Slide 9

Same information as Slide 9 divided by State mandated articles.

- Position moved from Regular to CTE.
- Part of the adjustments (EX: moving a teacher from HS to CTE designation) reflect an attempt to maximize reimbursements thru the EPS formula.
- Curriculum Update to meet Proficiency-based graduation requirements.

CURRICULUM & TECHNOLOGY PLAN (PART OF ARTICLE 5: STUDENT & STAFF SUPPORT)

Description	FY 17/18	FY 18/19	FY 19/20
Curriculum - English	\$44,037	\$56,800	\$46,600
Curriculum - Math	159,125	113,000	69,375
Curriculum - Science & Social Studies	-	100,000	170,000
Technology - Installment/Buyout Teacher & Student Laptop/Tablets	108,919	83,195	29,000
Technology - Supporting Devices (Projectors, Screens, etc.)	<u>36,757</u>	<u>37,080</u>	<u>25,000</u>
TOTAL (from lines: Curriculum Resources, Core Curriculum Books & New Equip Technology)	\$348,838	\$390,075	\$339,975

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Shows planned investments in Curriculum & Technology in the upcoming years.

GENERAL EDUCATION & CIP EXPENSES BY COST CENTER (2 OF 2) [EXC. ADULT ED.]

Warrant Article Cost Center	2015/2016 Actual	2016/2017 Revised Budget	2017/2018 Proposed Budget	Variance (17/18 vs. 16/17)
				+ \$22,736 (1.1%)
7. School Administration	\$1,978,603	\$2,040,274	\$2,063,010	Sel & Ben: Principals & Office Assistants Offset by Decreases in Accreditation and Hi Plan Selections
8. Transportation	1,756,125	1,694,061	1,740,607	+ 46,546 (2.7%) Contracted Rate Increase
9. Facilities (including CIP)	3,852,567	4,182,773	3,826,292	- \$356,481 (-8.5%) Sel & Ben: Custodians & Maint, Shifted Some Custodial Costs to CTE for better funding, Paid off SRRL, Savings on Energy
10. Debt Service	0	0	3,994,813	+ \$3,994,813 (+100%) \$423K Local Portion of Debt on New HS/Technical Center (details to follow)
11. All Other Expenses	<u>9,405</u>	<u>0</u>	<u>25,000</u>	+ \$25,000 (+100%) Sel & Ben: New P/T Performing Arts Manager for Jan-June 2018
Total General Ed. + CIP Expenses	<u>\$34,391,326</u>	<u>\$37,255,317</u>	<u>\$42,561,668</u>	<u>\$5,306,351 (+14.2%)</u>

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- Saw decreases caused by Health Plan Selections in Administration.
- Article 9: Shifted some of the costs into CTE to maximize funding from the State.
-

FY	TOTAL DEBT PAYMENT PRINCIPLE & INTEREST	STATE SHARE OF DEBT RECEIVED THRU SUBSIDY	LOCAL SHARE \$10M Bond + Interest
2018	\$3,994,812.54	\$3,571,997.83	\$422,814.71
2019	8,095,133.75	7,238,337.55	856,796.20
2020	8,010,279.83	7,182,484.47	827,795.36
2021	7,912,119.97	7,074,694.12	837,425.85
2022	7,804,189.45	6,978,189.18	826,000.27
2023	7,888,185.41	6,874,461.00	813,724.41
2024	7,585,925.18	6,785,140.91	800,784.27
2025	7,438,141.90	6,650,882.33	787,259.57
2026	7,303,831.38	6,530,787.38	773,044.00
2027	7,183,495.71	6,405,304.95	778,190.76
2028	7,014,147.42	6,271,783.82	742,363.60
2029	6,853,753.04	6,128,345.73	725,407.31
2030	6,684,270.74	5,976,801.60	707,469.14
2031	6,508,980.85	5,818,276.24	688,704.61
2032	6,323,088.40	5,653,846.14	669,242.26
2033	6,133,371.85	5,484,209.19	649,162.66
2034	5,939,311.77	5,310,688.79	628,622.98
2035	5,741,581.49	5,133,888.58	607,692.91
2036	5,539,342.57	4,953,052.70	586,289.87
2037	5,334,035.75	4,769,475.75	564,560.00
2038	<u>5,125,992.51</u>	<u>4,583,452.00</u>	<u>542,540.51</u>
TOTAL	<u>\$140,171,951.11</u>	<u>\$125,338,020.24</u>	<u>\$14,835,930.87</u>

NEW
HIGH
SCHOOL &
TECHNICAL
CENTER

DEBT-
SHARING
BY FY

STATE
SUBSIDY &
LOCAL
PORTION

ARTICLE 10

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Debt Service for New High School.

EXTRAORDINARY EXPENSES

Warrant Article Cost Center	Description	Amount
4. Other Instruction	Expansion of Arts/Clubs and Sports: 15 New/Expanded Co-Curriculars \$9,659 7 Reinstated Freshman Sports \$58,767 [FY18/19 Add HS Volleyball & Lacrosse] [FY19/20 Add HS Indoor Track & JH Lacrosse]	\$68,426
10. Debt Service	Local Share of School Construction Debt	\$422,815
11. All Other	Part-time Manager for the Community Performing Arts Center in the New High School / Technical Center, January - June 2018	<u>\$25,000</u>
	Total	<u>\$516,241</u>

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- Extraordinary Expenses include the local portion of the High School Debt as well as new additions that are local funding only.
- Amount to add Lacrosse: \$ 18,600 HS
- Gordie Salls: When Boys Lacrosse is added it will be necessary to add a comparable girls sport (HS Girls volleyball) in order not to come in conflict with Title IX. Survey was done of the kids to help in the decision making for how programs will be added.

CAPITAL IMPROVEMENT PLAN SUMMARY FOR 2017/2018

• Roof Systems	(TBD - Bond?)
• Exterior Wall Systems	\$60,000
• HVAC	\$20,000
• Electrical	\$29,000
• Plumbing	\$15,300
• Interior Trim	\$48,950
• Fire & Safety	\$21,000
• ADA Compliance	\$17,400
• Site Improvements/Lands.	\$49,250
• Maintenance Vehicles	<u>\$48,000</u>
Total CIP	<u>\$308,900</u>

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CAPITAL IMPROVEMENT PLAN CATEGORY SUMMARY 2017/2018

<u>Exterior Wall Systems*</u>	\$60,000
Masonry, Windows and Exterior Doors	
<u>HVAC*</u>	\$20,000
Pneumatic Heating/Cooling Components and Air Leak Remediation	
<u>Electrical*</u>	\$29,000
Wiring, Panels, Heater Motor Compressor and Service Lighting	
<u>Plumbing*</u>	\$15,300
Hot Water Heaters, Toilets and Faucets	
<u>Interior Trim**</u>	\$48,950
Floor Coverings, Stairs, Interior Doors and SRRF Projects	
<u>Fire & Safety**</u>	\$21,000
Suppression Systems, Fire Barrier Walls, Fire Panel and Intrusion Locks	
<u>ADA Compliance**</u>	\$17,400
Elevators, Ingress/Egress and Restroom Upgrades	
<u>Site Improvements/Landscaping*</u>	\$49,250
Sealcoating, Crack-filling and Striping	
<u>Maintenance Vehicles**</u>	\$48,000
Mini-Excavator (current is 2004), net of trade/salvage	

* CJL Primary Focus **District-wide, Excluding State-Funded Projects

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Further detail on CIP projects. CJL is a primary focus as it is the only school not planned for renovations or additions during the K-8 restructuring.

SCHOOL REVOLVING RENOVATION FUND PROJECTS ON THE BALLOT

Project	Total Cost	State Share (66%)	Local Share (34%)	Annual Loan Repayment
SJHS Asbestos Abatement	\$117,257	\$77,085	\$40,172	\$4,017
SHS Asbestos Abatement	<u>\$488,456</u>	<u>\$321,111</u>	<u>\$167,345</u>	<u>\$16,735</u>
Total	\$605,713	\$398,196	\$207,517	\$20,752

- School Revolving Renovation Fund loans are awarded by Maine DOE based upon need.
- Priority One projects include asbestos abatement, which are the projects to be completed at the Junior High (hallways) and High School (classrooms).
- The existing asbestos will NOT be removed or covered as part of the school construction project.
- The schools will need to have asbestos abatement completed before students can reoccupy the premises once converted to the Elementary and Middle School respectively.
- The state will contribute to the project cost at the percentage rate specified in the current year's EPS – this is 66% in FY16/17.
- The loan is paid back over 10 years without any interest.

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- Projects will need to be approved as a Bond by the voters at the Budget Referendum.
- Revolving renovation funds are awarded based on needs.
- Asbestos will not be funded by the State as part of the K-8 School Construction. However, it must be accomplished prior to reoccupancy or renovations will be considered by the State.
- Interest free loan.

CAPITAL IMPROVEMENTS 2018-2022

SUBJECT TO REVISION PER DOE ALLOWABLE CONSTRUCTION COSTS

Area	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
Roof Systems	(Bond ?)	\$75,000	\$21,000	\$21,000	\$21,000
Ext. Walls	60,000	53,500	51,300	29,900	30,000
HVAC	20,000	20,000	20,000	20,000	20,000
Electrical	29,000	34,800	17,600	18,800	18,800
Plumbing	15,300	15,300	15,300	15,300	15,300
Interior Trim	48,950	30,950	41,400	48,900	46,400
Fire & Safety	21,000	23,400	27,800	10,800	10,800
ADA Comp.	17,400	14,750	11,600	11,200	11,200
Site Improv.	49,250	13,125	13,125	13,125	13,125
Vehicles	48,000	104,000	84,000	0	0
Totals:	\$308,900	\$384,825	\$303,125	\$189,025	\$186,625

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5 year CIP plan.

ADULT EDUCATION EXPENSES

Expense Classification	2015/2016 Actual	2016/2017 Revised Budget	2017/2018 Proposed Budget	Variance (17/18 vs. 16/17)
Salaries, Taxes & Benefits (31-32)	\$686,534	\$697,123	\$686,198	- \$10,925 -2%
Purchased Prof & Tech. Serv. (33)	68,064	81,238	56,400	- 24,838 -31% Contracted Serv.
Prop. & Gen. Ops. (34-35)	29,293	30,806	41,675	+ 10,869 +35% Computer Replace.
Supplies, Rent & Energy (36)	30,588	58,251	59,951	+ 1,700 +3% Rent
Equip & Tech (37)	0	0	0	-
Dues, Fees, Debts & Other (38-39)	1,940	2,190	2,320	+ 130 +6% Testing Fees
Total Adult Education Exps.	\$816,419	\$869,608	\$846,544	- \$23,064 - 2.7%

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- Cutting expenses to align with expected decrease in enrichment classes.
- Cutting Childcare staff as that program is reworked.

ADULT ED - HISTORICAL PERSPECTIVE

Description	13/14	14/15	15/16
Expenses	\$755,988	\$790,293	\$816,419
Revenues	308,626	345,238	393,617
Net Cost	\$447,362	\$445,055	\$422,803
# Students	1,579	1,794	1,846

Year	Enrichment	Total
Act. 13/14	\$13.00	~\$280.00
Act. 14/15	\$2.96	~\$250.00
Act. 15/16	-\$13.01	~\$230.00

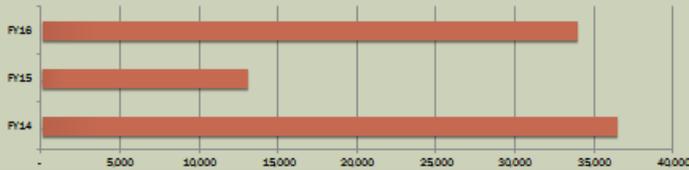
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- Enrichment made \$ 13.01 per student in 15/16. Enrichment is paying its costs.
- Cost per pupil had been decreasing as students increased more than expenses. Revenues also increasing.

ADULT EDUCATION HISTORICAL SUMMARY OF OPERATIONS

DESCRIPTION	FY14	FY15	FY16
BUDGETED REVENUE	855,008	805,008	331,200
ACTUAL REVENUE	<u>792,479</u>	<u>803,394</u>	<u>393,616</u>
REVENUE GAIN (LOSS)	(62,529)	(1,614)	62,416
BUDGETED EXPENSE	855,008	805,008	787,986
ACTUAL EXPENSE	<u>755,988</u>	<u>790,294</u>	<u>816,418</u>
EXPENSE SAVED (OVER)	<u>99,020</u>	<u>14,714</u>	<u>(28,432)</u>
NET CHANGE FROM OPERATIONS	36,491	13,100	33,984

ADULT ED NET CHANGE FROM OPERATIONS



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SCHOOL SUMMARY

Source or Use of Funds	16/17 Budgeted Amount	17/18 Budgeted Amount	Variance (17/18 vs. 16/17)
Ordinary Operating Exp. + CIP + Adult Ed	\$38,124,926	\$42,891,971	+ \$4,767,045 + 12.5% (\$4M debt)
- Revenues & Use of Fund Bal.	<u>23,722,264</u>	<u>28,523,904</u>	+ 4,801,640 + 20.2% <small>3.6M debt + 600K EPS + 725K Fund Balance</small>
= Net Tax from Ord. Operations	\$14,402,662	\$14,368,067	- \$34,595 - 0.24%
+ Extraordinary Expenses: Expanded Activities, Debt, PAC Manager	0	68,426 422,815 <u>25,000</u>	+ 516,241 (100%)
= Total Net Taxation	<u>\$14,402,662</u>	<u>\$14,884,308</u>	+ \$481,646 + 3.3%

Sanford School Department

FY 17/18

Budget Review

As of 3/16/17

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SCHOOL SUMMARY

Source or Use of Funds	16/17 Budgeted Amount	17/18 Budgeted Amount	Variance (17/18 vs. 16/17)
Operations: Gen. Ed. + Adult Ed	\$37,833,634	\$43,099,312	+ \$5,265,678 + 13.9%
Revenues: Gen. Ed. + FB Adult Ed. Total Revenue	<u>\$23,722,264</u>	<u>\$28,523,904</u>	+ \$4,801,640 + 20.2%
= Net Tax from Operations	\$14,111,370	\$14,575,408	+ \$464,038 + 3.3%
+ CIP	<u>\$291,296</u>	<u>\$308,900</u>	+ \$17,604
= Total Net Taxation/Extra-Ordinary Expense	<u>\$14,402,666</u>	<u>\$14,884,308</u>	+ \$481,642 + 3.3%

Sanford School Department

FY 17/18

Budget Review

As of 3/16/17

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SCHOOL - FUND BALANCE HISTORY

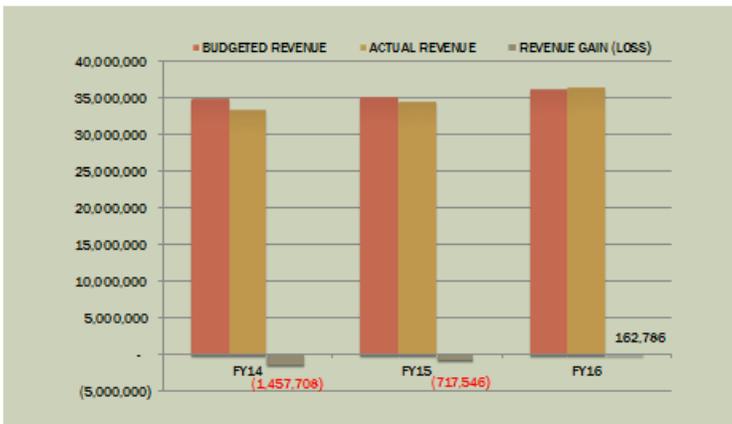
SUMMARY OF OPERATIONS	FY14	FY15	FY16
BUDGETED REVENUE	35,108,329	35,266,468	36,337,950
ACTUAL REVENUE	<u>33,850,821</u>	<u>34,548,922</u>	<u>36,500,738</u>
REVENUE GAIN (LOSS)	(1,457,708)	(717,546)	162,786
BUDGETED EXPENSE	35,108,329	35,266,468	36,337,950
ACTUAL EXPENSE	<u>34,192,531</u>	<u>34,206,169</u>	<u>35,207,758</u>
EXPENSE SAVED (OVERSPENT)	915,798	1,060,299	1,130,194
CHANGE IN FUND BALANCE	(834,316)	594,432	1,257,336
UNDESIGNATED FUND BALANCE	(1,501,924)	(881,483)	400,282

UNDESIGNATED FUND BALANCE



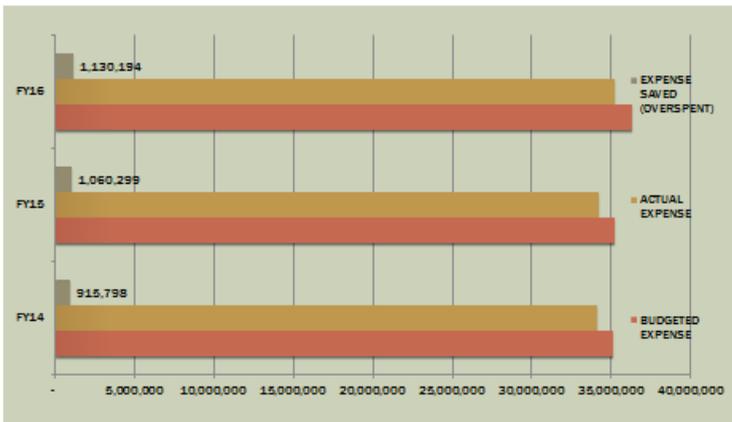
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SCHOOL REVENUE PRIOR 3-YRS



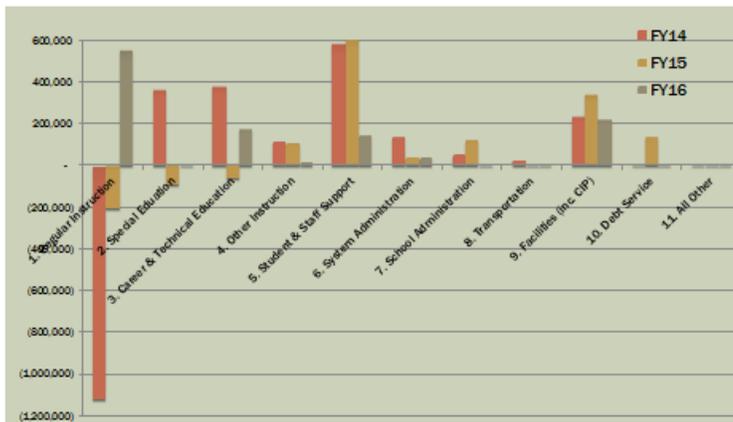
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SCHOOL EXPENSES PRIOR 3-YRS



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VARIANCE IN EXPENSES BY ARTICLE PRIOR 3-YRS (NEGATIVE = OVERSPENT)



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VARIANCE IN EXPENSES BY ARTICLE PRIOR 3-YRS (NEGATIVE = OVERSPENT)

1. REG INST	FY14	FY15	FY16
BUDGET	14,054,648	13,527,657	14,357,498
ACTUAL	<u>15,175,201</u>	<u>13,732,407</u>	<u>13,796,385</u>
VARIANCE	(1,120,553)	(204,550)	561,113
2. SPEC ED	FY14	FY15	FY16
BUDGET	5,774,447	6,088,512	6,447,874
ACTUAL	<u>5,405,952</u>	<u>6,176,992</u>	<u>6,447,591</u>
VARIANCE	368,495	(88,480)	283
3. CTE	FY14	FY15	FY16
BUDGET	1,748,186	1,736,374	1,988,984
ACTUAL	<u>1,364,129</u>	<u>1,796,494</u>	<u>1,811,009</u>
VARIANCE	384,057	(60,120)	177,975
4. OTHER	FY14	FY15	FY16
BUDGET	898,870	887,840	898,072
ACTUAL	<u>778,844</u>	<u>780,817</u>	<u>882,011</u>
VARIANCE	120,026	107,023	16,061

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Next (3) slides detail savings or overruns for each Article in the School Budget for FY 14, FY 15 & FY16.

VARIANCE IN EXPENSES BY ARTICLE PRIOR 3-YRS (NEGATIVE = OVERSPENT)

5. STUD & STAFF SUPPORT	FY14	FY15	FY16
BUDGET	3,126,554	3,195,177	3,207,137
ACTUAL	<u>2,534,219</u>	<u>2,568,073</u>	<u>3,063,111</u>
VARIANCE	592,335	627,102	144,026
6. SYSTEM ADMIN	FY14	FY15	FY16
BUDGET	860,830	838,401	832,439
ACTUAL	<u>724,284</u>	<u>796,176</u>	<u>794,531</u>
VARIANCE	136,546	42,225	37,908
7. SCHOOL ADMIN	FY14	FY15	FY16
BUDGET	1,919,748	1,954,396	1,978,842
ACTUAL	<u>1,865,381</u>	<u>1,829,477</u>	<u>1,878,603</u>
VARIANCE	54,367	124,919	239
8. TRANS.	FY14	FY15	FY16
BUDGET	1,659,100	1,799,910	1,756,127
ACTUAL	<u>1,637,327</u>	<u>1,799,038</u>	<u>1,756,125</u>
VARIANCE	21,773	872	2

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VARIANCE IN EXPENSES BY ARTICLE PRIOR 3-YRS (NEGATIVE = OVERSPENT)

9: MAINT	FY14	FY15	FY16
BUDGET	4,184,938	4,279,885	4,072,991
ACTUAL	<u>3,944,054</u>	<u>3,931,021</u>	<u>3,852,567</u>
VARIANCE	240,884	348,864	220,424
10: DEBTS	FY14	FY15	FY16
BUDGET	11,000	138,328	-
ACTUAL	-	-	-
VARIANCE	11,000	138,328	-
11: ALL OTHER	FY14	FY15	FY16
BUDGET	15,000	15,000	10,000
ACTUAL	<u>7,152</u>	<u>5,378</u>	<u>9,405</u>
VARIANCE	7,848	9,622	595

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SCHOOL AUDIT EXCERPT 13/14

Description	Org. Budget	Rev. Budget	Actual	Variance (R-A)
FY 13/14				
[same]				
EXPENSES				
1. Regular Instruction	14,054,648	14,054,648	15,175,201	(1,120,553)
2. Special Education	5,774,447	5,774,447	5,405,952	368,495
3. Career & Technical Education	1,748,186	1,748,186	1,364,129	384,057
4. Other Instruction	898,870	898,870	778,844	120,026
5. Student & Staff Support	3,126,554	3,126,554	2,534,219	592,335
6. System Administration	860,830	860,830	724,284	136,546
7. School Administration	1,919,748	1,919,748	1,865,381	54,367
8. Transportation	1,659,100	1,659,100	1,637,327	21,773
9. Facilities (inc. CIP)	4,184,938	4,184,938	3,944,054	240,884
10. Debt Service	11,000	11,000	-	11,000
11. All Other	15,000	15,000	7,152	7,848
General Ed Total Expenses	34,253,321	34,253,321	33,436,543	816,778
Adult Education Expenses	855,008	855,008	755,988	99,020
TOTAL EXPENSES	35,108,329	35,108,329	34,192,531	915,798
[REVENUES]				
General Ed	34,253,321	34,253,321	32,858,142	1,395,179
Adult Education	855,008	855,008	792,479	62,529
TOTAL REVENUES	35,108,329	35,108,329	33,650,621	1,457,708
Fund Balance Change from Operations	-	-	(541,910)	541,910
Other Changes (Trans. & Comp Time)	-	-	(92,406)	92,406
NET CHANGE IN FUND BALANCE	-	-	(634,316)	634,316

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SCHOOL AUDIT EXCERPT 14/15

Description	Org. Budget	Rev. Budget	Actual	Variance (R-A)
FY 14/15				
[changed]				
EXPENSES				
1. Regular Instruction	13,533,397	13,527,857	13,732,407	(204,550)
2. Special Education	6,071,289	6,088,512	6,176,992	(88,480)
3. Career & Technical Education	1,736,374	1,736,374	1,796,494	(60,120)
4. Other Instruction	886,240	887,840	780,817	107,023
5. Student & Staff Support	3,321,587	3,195,177	2,568,075	627,102
6. System Administration	870,201	838,401	796,176	42,225
7. School Administration	1,954,356	1,954,396	1,829,477	124,919
8. Transportation	1,643,300	1,799,910	1,799,038	872
9. Facilities (inc. CIP)	4,291,388	4,279,665	3,931,021	348,644
10. Debt Service	138,328	138,328	-	138,328
11. All Other	15,000	15,000	5,378	9,622
General Ed Total Expenses	34,461,460	34,461,460	33,415,875	1,045,585
Adult Education Expenses	805,008	805,008	790,294	14,714
TOTAL EXPENSES	35,266,468	35,266,468	34,206,169	1,060,299
[REVENUES]				
General Ed	34,461,460	34,461,460	33,745,528	715,932
Adult Education	805,008	805,008	803,394	1,614
TOTAL REVENUES	35,266,468	35,266,468	34,548,922	717,546
Fund Balance Change from Operations	-	-	342,753	(342,753)
Other Changes (Trans. & Comp Time)	-	-	251,679	(251,679)
NET CHANGE IN FUND BALANCE	-	-	594,432	(594,432)

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SCHOOL AUDIT EXCERPT 15/16

Description	Org. Budget	Rev. Budget	Actual	Variance (R-A)
FY 15/16				
(changed)				
EXPENSES				
1. Regular Instruction	14,439,549	14,357,498	13,796,385	561,113
2. Special Education	6,384,696	6,447,874	6,447,591	283
3. Career & Technical Education	1,996,284	1,988,984	1,811,009	177,975
4. Other Instruction	877,572	898,072	882,011	16,061
5. Student & Staff Support	3,207,141	3,207,137	3,063,111	144,026
6. System Administration	833,879	832,439	794,531	37,908
7. School Administration	1,944,948	1,978,842	1,978,603	239
8. Transportation	1,695,425	1,756,127	1,756,125	2
9. Facilities (inc. CIP)	4,160,470	4,072,991	3,852,567	220,424
10. Debt Service	-	-	-	-
11. All Other	10,000	10,000	9,405	595
General Ed Total Expenses	35,549,964	35,549,964	34,391,338	1,158,626
Adult Education Expenses	787,986	787,986	816,418	(28,432)
TOTAL EXPENSES	36,337,950	36,337,950	35,207,756	1,130,194
REVENUES				
General Ed	36,006,750	36,006,750	36,107,120	(100,370)
Adult Education	331,200	331,200	393,616	(62,416)
TOTAL REVENUES	36,337,950	36,337,950	36,500,736	(162,786)
Fund Balance Change from Operations	-	-	1,292,980	(1,292,980)
Other Changes (Trans. & Comp Time)	-	-	(35,644)	35,644
NET CHANGE IN FUND BALANCE	-	-	1,257,336	(1,257,336)

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SCHOOL - FUND BALANCE HISTORY

SUMMARY OF OPERATIONS	FY14	FY15	FY16
BUDGETED REVENUE	35,108,329	35,266,468	36,337,950
ACTUAL REVENUE	33,850,821	34,548,922	36,500,736
REVENUE GAIN (LOSS)	(1,457,708)	(717,546)	162,786
BUDGETED EXPENSE	35,108,329	35,266,468	36,337,950
ACTUAL EXPENSE	34,192,531	34,206,169	35,207,756
EXPENSE SAVED (OVERSPENT)	915,798	1,060,299	1,130,194
CHANGE IN FUND BALANCE	(834,316)	594,432	1,257,336
UNDESIGNATED FUND BALANCE	(1,501,924)	(881,483)	400,282

UNDESIGNATED FUND BALANCE			
FY13	FY14	FY15	FY16
(867,608)	(1,501,924)	(881,483)	400,282

Slide 33

General Discussion.

Mayor Cote: What would be the ideal fund balance to carry?

Superintendent Theoharides: State says 1.5 to 3% maximum. Some School Districts create a Reserve Account.

Lance Hoenig: Would you rather carry over \$ 1million or would you rather have a reserve account?

Superintendent Theoharides: We would rather have both. Need the Reserve for Emergencies but need the room in the budget for the unexpected changes that schools see each year.

Gwen Bedell Gadbois: Reserve Accounts must be established for a very specific purpose. EX: Health Insurance, Special Education, CIP, etc. The Account would need to be established by the voters.

10. . Future Agenda Items – Confirm date, time and agenda for next meeting:

a. Thursday, March 23, 2017

Old Business

1. Discussion of Detailed Revenue Projections for Municipal.
2. What comprises the change in the City's Undesignated Fund Balance?
3. Impact of the Bond.
4. Make up of debt service changes for FY 17/18 in the School Department. Retired \$ 130,000.

New Business

1. Discussion of Undesignated versus Carry Over. Benefits of either.
2. Do we want to get to a 0% Budget?
3. How do we establish a Reserve Account?
4. General Discussion of Budget for 2017/18.

b. Thursday, March 30, 2017

d. Tuesday, April 4, 2017 Budget Committee Presentation to the City Council

11. Added Agenda Item regarding Budget Materials and timeliness of receipt.

- a. Motion to require all Budget Presentation materials (powerpoints and all anticipated handouts) to be e-mailed by 4 pm on the night of the Budget Committee Meeting made by Maura Herlihy, seconded by Lance Hoenig. 7-0

12. Budget Committee Member Comments

- a. **Bruce Knight: Nothing**
- b. **James Drummey: Nothing**
- c. **Mayor Tom Cote: Nothing**
- d. **Chairman Lance Hoenig: Nothing**
- e. **Councilor Luke Lanigan: Nothing**
- f. **Wes Davie: Nothing**
- g. **Councilor Maura Herlihy: Nothing**

10. Adjourn: Chairperson Lance Hoenig adjourns meeting at 8:46 PM