

The City Of *Sanford, Maine* Village of Springvale

Budget Committee Meeting Minutes March 26, 2015, 6:00 PM City Hall Annex, 3rd Floor Council Chambers

1. **Call to Order:** Meeting called to order by Lance Hoenig at 6:05 pm
2. **Pledge of Allegiance**
3. **Roll-Call:** Bruce Carlson, Don Jamison, James Drummey, Councilor Fred Smith, Deputy Mayor Maura Herlihy, Mayor Tom Cote (arrived at 6:20 pm), Chairman Lance Hoenig. Others: City Finance Director Ronni Champlin, City Manager Steve Buck, Superintendent David Theoharides, School Business Manager Gwen Bedell
 - a. **Audience Participants:**
 - i. School Committee: Kendra Williams
 - ii. City Councilor: Victor Digregorio
 - iii. Staff: Eric Knowlton, Assistant Superintendent, Adult Education Director Allen Lampert, Curriculum Director Bernie Flynn.
4. **Adjustments to the Agenda:** Switch Items #8 & 9. Motion by Deputy Mayor Maura Herlihy, Seconded by Councilor Fred Smith. 6-0 to approve the move.
5. **Approval of the March 19, 2015 Meeting Minutes:** Motion by James Drummey, seconded by Don Jamison. 6-0 to accept.
6. **Public Participation: NONE**

Old Business: To take action, if appropriate, on the following:

7. **NONE**

New Business: To take action, if appropriate, on the following:

8. **To vote on the 2015/2016 Consolidated Budget**
 - a. Lance Hoenig: Would like to see the number under 2%. \$ 182,511 would need to be cut from the budget.
 - b. Tom Cote: Assume reserves would go. Could live with 1.95% Would like to see it under 2%.
 - c. Fred Smith: Concerned that it is about a number not about what the priorities should be.
 - d. Tom Cote: EPS is not solidified. Reserves are critical. Would like the School to prioritize the reserves.
 - e. James Drummey: 2% Cannot stay flat, cannot go backwards or we will have more problems down the road.
 - f. Lance Hoenig: If we were not covering accounting errors, the increases from the State in Revenues on the School side would be going a lot further.
 - g. Bruce Carlson: 2-2.1% after reviewing the budget.
 - h. Fred Smith: Cut \$ 175,000 and start the fuel & special education reserves @ \$ 50,000 each.\$
 - i. Motion by Mayor Tom Cote, seconded by James Drummey: 7-0 in favor. 1.98% \$ 188,221.00 reduction.
9. **Operating estimates for 2016/2017, 2017/2018.**
 - a. ASSUMPTIONS
 - i. Valuation
 1. Assume \$ 5,000,000 new valuation over the next 2 years.
 - ii. 3% increase in County taxes over the next 2 years.

- iii. Assume 6% Health Premium increase each year.
 - iv. HRA + 10% Max out of Pocket until 60%.
 - v. Wages, 2% CPI-W or sustainability each year.
 - vi. Dental, assume no change (employee paid)
 - vii. Income Protection, no change
 - viii. Worker's compensation, put in a 2% escalator. May go down.
 - ix. Longevity & Steps, Adjust for year in service.
 - x. MEPEERS – No change, but may go down. Held constant.
 - xi. Heating fuel, Increase of \$ 0.50 per gallon in year 16/17 and an additional \$ 0.50 per gallon in year 17/18.
 - xii. Debt Service is based on Treasurer's Projections
 - xiii. Capital Plan, City's share of the Charter mandate of 4% for each year based on prior year budget less CIP.
 - xiv. Revenues:
 - 1. Revenue Sharing: Added \$ 100,000 increase for 16/17 and an increase of \$ 100,000 for 17/18.
 - 2. Excise Tax: Added \$ 50,000 each for 2 years.
 - 3. Ambulance Fees: Flat for both years.
 - 4. Dispatch: No change, assume a wash if we take on additional partners.
 - 5. Franchise Agreement (Metrocast): Reduced (\$ 20,000) both years.
 - xv. Undesignated Funds
- b. SCHOOL ASSUMPTIONS:
- i. Health & Dental Premiums 6% increase each year but offset by increase share of cost to employee.
 - ii. Wages, Longevity & Steps are 4% increase in each year.
 - iii. Retirement, Worker's Comp & Income Protection: 5% based on past experience.
 - iv. Major Expenses:
 - 1. Heating fuel increase of \$ 0.50 per gallon each year for 130,000 gallons, no increase in the reserve account.
 - 2. Transportation increase of \$ 100,000 offset by no additional special ed reserve account.
 - 3. Equipment Plan being worked on.
 - v. Debt Service: Based on Treasurer's projection. See schedule.
 - vi. Capital Plan: Based upon revised plan following passage of the referendum and in line with City Charter mandate.
 - vii. Revenues: Hold relatively flat for the next two years; increase in per pupil expense offset by decrease in pupil count.
 - viii. Undesignated Funds: Assume None Available.

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

- Thursday, April 2, 2015 6:00 pm
 - i. Vote on School and City final Budget Recommendations.
 - ii. Continue discussion of Budget Committee Priorities
- Thursday, April 9, 2015 6:00 pm (If necessary)
- Thursday, April 21, 2015 7:00 pm Budget Committee Presentation to the City Council

11. Budget Committee Member Comments

- a. Don Jamison, James Drummey: Nothing.

- b. Bruce Carlson: Presentations by School and City were well done. Great responses to the questions he has asked.
- c. Fred Smith: Thanks for your work and for working together.
- d. Maura Herlihy: Nothing
- e. Mayor Tom Cote: Excellent level of detail. Very impressive work. Community should be pleased that the Budget Committee has reached the point of looking forward to future budgets.
- f. Lance Hoenig: Excellent work and presentations.
- g. David Theoharides: Thank you for giving us a clear direction and a clear target to work with this year. Great, comfortable, collaborative process. It is going to be challenging to make it all work with the tight budget restrictions but thanks him for the efforts.
- h. Steve Buck: Continue forward with further consolidation. Investments still need to be made that pay for themselves in improved community. Decrease carrying costs overall. As a City we have opportunities but we are not going to just cut our way out of this so we must keep investing. Broadband initiative. If you look 3 years out we have strong possibilities with Broadband, destination tourist attraction, new hospital facility, new High School. It is our time.

12. **Adjourn:** Declared adjourned by Chairperson Lance Hoenig at 7:54 pm.