

# The City Of *Sanford, Maine* Village of Springvale

## ***Budget Committee Meeting Minutes March 2, 2017, 6:00 PM City Hall Annex, 3<sup>rd</sup> Floor Council Chambers***

1. **Call to Order:** Meeting Called to order by Mayor Tom Cote @ 6:01 pm.
2. **Roll-Call:** Bruce Knight, Wes Davie, Deputy Mayor Maura Herlihy, Mayor Tom Cote, Lance Hoenig, City Councilor Luke Lanigan, James Drummey.
  - a. **Staff:** City Manager Steve Buck, Superintendent David Theoharides (arrives @ 6:14 pm), City Finance Director Ronni Champlin, School Business Manager Gwen Bedell.
  - b. **Audience Participants:**
    - i. School Committee: John Roux
    - ii. City Council:
    - iii. Staff: Assistant Superintendent Matt Nelson; City Clerk Sue Cote
3. **Pledge of Allegiance**
4. **Swearing in of New Budget Committee Members:** City Clerk swears in Public Members James Drummey, Lance Hoenig, Wes Davie, Bruce Knight
5. **Adjustments to the Agenda:** Public Participation moved up to just before Budget Presentation. Motion by Lance Hoenig, seconded by James Drummey, 7-0.

### **OLD BUSINESS:**

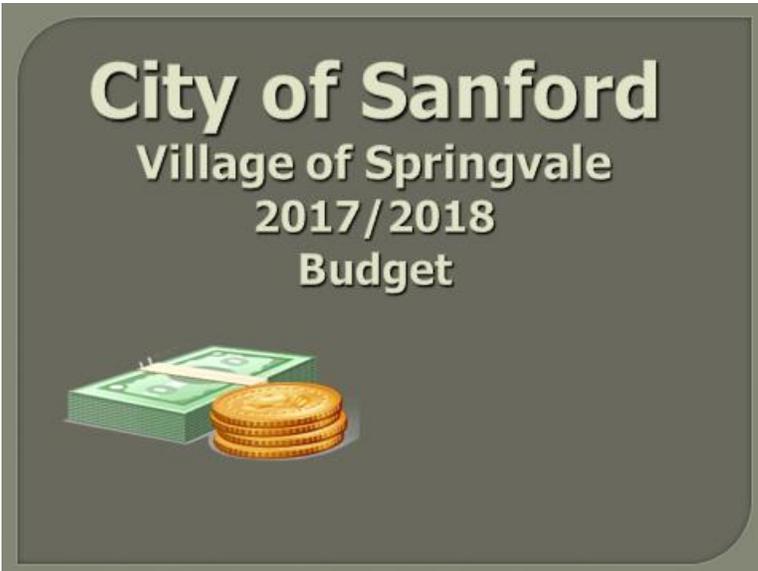
6. **None**

### **NEW BUSINESS:**

7. **Election of Chairperson for 2017/2018 Budget Committee:**  
Nominations: Lance Hoenig  
Motion to appoint Lance Hoenig as Chairperson for 2017/2018 Budget Committee made by James Drummey and seconded by Wes Davie. 7-0 to approve.
8. **Election of Vice-Chairperson for 2017/2018 Budget Committee**  
Nominations: Wes Davie  
Motion to appoint Wes Davie as Vice-Chairperson for 2017/2018 Budget Committee made by Councilor Maura Herlihy and seconded by Councilor Luke Lanigan. 7-0 to approve.
9. **Election of Secretary for 2017/2018 Budget Committee**  
Motion to appoint Councilor Maura Herlihy as Secretary for 2017/2018 Budget Committee made by Mayor Tom Cote and seconded by James Drummey. 7-0 to approve.
10. **Establish Rules of Procedure.** Motion to use Roberts Rules of Order, loosely, made by Mayor Cote and seconded by Luke Lanigan. 7-0 to approve.
11. **Public Participation.**
  - a. **Roland Cote:** Concerned and interested about the athletic program at Sanford High School. Especially concerned about the teams that were eliminated from the Budget a few years ago. This included Freshman Boys basketball as well as others.

- b. **Dianne Connolley:** Remind the Budget committee that there are still a lot of people hurting and living paycheck to paycheck. Wants Committee to keep that in mind when making its decisions. Also would like to see more resources given to the Department of Public Works for Road work.

12. **Presentation – Overview of the 2017/2018 Municipal and School Budget**



**Opening Comments on Budget**

**Fiscal Year 2016 vs. 2017**

FY 16 vs. FY 17		
Combined Expense	\$ 60,056,133.00	
Combined CIP	\$ 2,334,053.00	
County Tax	\$ 812,539.00	
<b>Total Appropriation</b>	<b>\$ 63,202,725.00</b>	
Combined Revenue	\$ (32,545,548.00)	
Combined Use of Fund Balance	\$ (850,000.00)	
<b>Net Appropriation</b>	<b>\$ 29,807,177.00</b>	
Mil Rate for Municipal & School FY 17	\$ 22.74	
FY 16	\$ 22.04	
<b>Total Net Change/\$1,000</b>	<b>\$ 0.7000</b>	<b>3.18%</b>

**Slide One**

## Comparison of FY 15/16 to FY 16/17

Comparison of FY 15/16 to FY 16/17 - Last Year		
<b>Municipal Impacts</b>		
Expense	\$ 21,394,895.00	\$ 748,585.00
Debt Service	\$ 827,604.00	\$ 38,099.00
Total Appropriation	\$ 22,222,499.00	\$ 786,684.00
Revenue	\$ (8,823,284.00)	\$ 608,422.00
Use of Fund Balance/Carry Forward	\$ (850,000.00)	\$ -
Net Appropriation Net Operations	\$ 12,549,215.00	\$ 178,262.00
CIP	\$ 2,042,757.00	\$ 268,674.00
<b>Total Appropriation with CIP</b>	<b>\$ 14,591,972.00</b>	<b>\$ 446,936.00</b>
<b>School Impacts</b>		
Expense	\$ 37,833,634.00	\$ 1,736,980.00
Debt Service	\$ -	\$ -
Total Appropriation	\$ 37,833,634.00	\$ 1,736,980.00
Revenue	\$ (23,722,264.00)	\$ 1,504,525.00
Use of Fund Balance/Carry Forward	\$ -	\$ -
Net Appropriation Net Operations	\$ 14,111,370.00	\$ 232,455.00
CIP	\$ 291,296.00	\$ 50,000.00
<b>Total Appropriation with CIP</b>	<b>\$ 14,402,666.00</b>	<b>\$ 282,455.00</b>

Slide Two

## Comparison of FY 16/17 to FY 17/18

Comparison of FY 16/17 to FY 17/18 - This Year		
<b>Municipal Impacts</b>		
Expense	\$ 22,326,894.00	\$ 931,999.00
Debt Service	\$ 641,717.00	\$ (185,887.00)
Total Appropriation	\$ 22,968,611.00	\$ 746,112.00
Revenue	\$ (9,277,557.00)	\$ 454,273.00
Use of Fund Balance/Carry Forward	\$ (850,000.00)	\$ -
Net Appropriation Net Operations	\$ 12,841,054.00	\$ 291,839.00
CIP	\$ 2,042,757.00	\$ -
<b>Total Appropriation with CIP</b>	<b>\$ 14,883,811.00</b>	<b>\$ 291,839.00</b>
<b>School Impacts</b>		
Expense	\$ 39,104,499.00	\$ 1,270,865.00
Debt Service	\$ 3,994,813.00	\$ 3,994,813.00
Total Appropriation	\$ 43,099,312.00	\$ 5,265,678.00
Revenue	\$ (27,798,904.00)	\$ 4,076,640.00
Use of Fund Balance/Carry Forward	\$ (725,000.00)	\$ 725,000.00
Net Appropriation Net Operations	\$ 14,575,408.00	\$ 464,038.00
CIP	\$ 308,900.00	\$ 17,604.00
<b>Total Appropriation with CIP</b>	<b>\$ 14,884,308.00</b>	<b>\$ 481,642.00</b>

Slide Three

## 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	\$ -
<b>Total Appropriation</b>	<b>\$ 69,232,119.00</b>	<b>\$ 6,029,394.00</b>
Combined Revenue	\$ (37,076,461.00)	\$ (4,530,913.00)
Combined Use of Fund Balance	\$ (1,575,000.00)	\$ (725,000.00)
<b>New Appropriation</b>	<b>\$ 30,580,658.00</b>	<b>\$ 773,481.00</b>
Mill Rate for Municipal & School FY 18	\$ 23.33	\$ 0.5900
FY 17	\$ 22.74	
<b>Total Net Change/\$1,000</b>	<b>\$ 0.5900</b>	<b>2.59%</b>
<b>Net Appropriation due to Operations</b>	<b>\$ 755,877.00</b>	<b>2.54%</b>
<b>Net Appropriation due to CIP Mandate</b>	<b>\$ 17,604.00</b>	<b>0.06%</b>
<b>4% Charter Mandate \$100,694 (\$83,090)</b>		

Slide Four

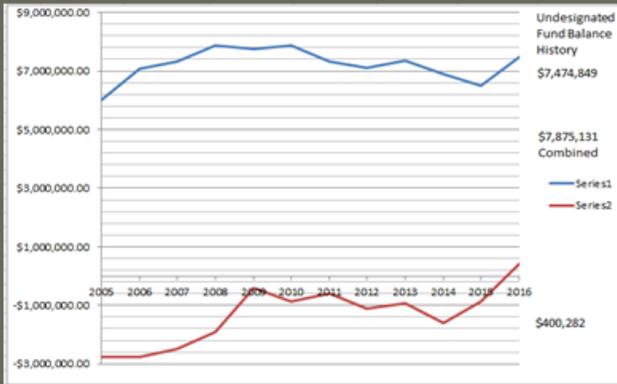
This year the Homestead Exemption will be \$ 20,000 with a State Reimbursement of 62.5%.

## Resource Allocation and Net Taxation

Resource Allocation and Net Taxation		
<b>Expense Budget Comparisons</b>		
Municipal	\$ 22,968,611.00	37.00%
School	\$ 39,104,499.00	63.00%
<b>2-Year Net Increase to Taxation</b>		
Municipal	\$ 1,532,796.00	17.96%
School	\$ 7,002,658.00	82.04%
<b>Non-Property Tax Revenue</b>		
Municipal	\$ (9,277,557.00)	25.02%
School	\$ (27,798,904.00)	74.98%
<b>2-Year Net Increase to Revenue</b>		
Municipal	\$ 1,062,695.00	16.00%
School	\$ 5,581,165.00	84.00%
<b>Net Appropriations Operations</b>		
Municipal	\$ 12,841,054.00	46.84%
School	\$ 14,575,408.00	53.16%
<b>Net Use of CIP</b>		
Municipal	\$ 2,042,757.00	86.86%
School	\$ 308,900.00	13.14%
<b>Total Appropriations with CIP</b>		
Municipal	\$ 14,883,811.00	50.00%
School	\$ 14,884,308.00	50.00%

Slide Five

## Undesignated Fund Balance History



Slide Six

## Comparison of FY 16/17 to FY 17/18

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Debt Service	\$ 641,717.00	\$ (185,887.00)
Total Appropriation	\$ 22,968,611.00	\$ 746,112.00
Revenue	\$ (9,277,557.00)	\$ 454,273.00
Use of Fund Balance/Carry Forward	\$ (850,000.00)	\$ -
Net Appropriation Net Operations	\$ 12,841,054.00	\$ 291,839.00
CIP	\$ 2,042,757.00	\$ -
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CIP	\$ 308,900.00	\$ 17,604.00
<b>Total Appropriation with CIP</b>	<b>\$ 14,884,308.00</b>	<b>\$ 481,642.00</b>

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<b>Total Appropriation</b>	<b>\$ 69,232,119.00</b>	<b>\$ 6,029,394.00</b>
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<b>4% Charter Mandate \$100,694 (\$81,090)</b>		

Slide Seven

General discussion of the Budget, Undesignated Fund Balance, Carry Over Funds from the School and how it is applied annually. Discussion of whether School would benefit from an outside look at staffing and organizational needs. Request to absorb the \$ 83,000 of the CIP in either the School or City Budget as it is part of the mandatory Charter minimum for CIP.

**13. Set Agenda for next Budget Committee meeting – March 9 2017**

- a. **March 9<sup>th</sup>:** Presentation of detailed City Budget and discussion of shortfalls in the CIP. Needs for the Parks and needs for the Roads. Look at debt service. Homestead Exemption. What can forfeiture money be used for?
- b. **March 16<sup>th</sup>:** Public Hearing. Presentation of detailed School Budget. 3 Year Plan for extracurriculars.

**14. Budget Committee Member Comments**

- a. **Bruce Knight:** No Comment
- b. **James Drummey:** Feels we need to give consideration to the tax burden that is becoming difficult for many citizens. What will be the impact when the Homestead is factored in? What will the majority of Homeowners see as an increase/decrease?
- c. **Mayor Tom Cote:** Thanks for the hard work that has gone into the Budget thus far.
- d. **Chairman Lance Hoenig:** No Comments
- e. **Councilor Luke Lanigan:** Thanks for answering of questions and hard work that goes into the Budget.
- f. **Wes Davie:** Very positive start to this session.
- g. **Councilor Maura Herlihy:** No comments.

**15. Adjourn:** Chairperson Lance Hoenig adjourns meeting at 8:02 pm.

- a.

**16. Future agenda items – Confirm date, time and agenda for next meeting:**

- a. Outside Agencies
- b. Capital Improvement
- c. Homestead Exemption Changes

- Thursday, March 17, 2016                      Joint Public Hearing
- Thursday, March 24, 2016
- Thursday, March 31, 2016
- Tuesday, April 5, 2016                      Budget Committee Presentation to the City Council

**17. Budget Committee Member Comments**

NONE

**18. Adjourn:** Declared adjourned by Chairperson Lance Hoenig at **8:50 pm**