



# MINUTES

**BUDGET COMMITTEE**  
**3<sup>RD</sup> FLOOR COUNCIL CHAMBERS**  
**CITY HALL ANNEX**  
**THURSDAY, MARCH 7, 2019**  
**6:00 PM**

1. Call to Order by Mayor Thomas Cote @ 6:01 PM0
2. Pledge of Allegiance
3. Roll-Call: Lance Hoenig, Mesha Quinn, Jonathan Mapes, Bruce Knight, Councilor Bob Stackpole, Councilor Maura Herlihy, Mayor Tom Cote.
  - a. Present Staff: City Manager Steve Buck, Finance Director Ronni Champlin, Superintendent Matt Nelson School Business Manager Gwen Bedell. City Clerk Sue Cote, Assistant Superintendent Steven Bussiere.
  - b. School Committee Members: None
4. Adjustments to the Agenda: NONE

Old Business:

5. None

New Business

6. Swearing in of New Budget Committee Members: Lance Hoenig, Mesha Quinn, Jonathan Mapes and Bruce Knight
7. Election of Chairperson for 2019/2020 Budget Committee: Motion by Bruce Knight for Lance Hoenig, Seconded by Maura Herlihy, 7-0 in favor of Lance Hoenig.
8. Election of Vice-Chairperson for 2019/2020 Budget Committee: Motion by Maura Herlihy for Jonathan Mapes, he declined. Motion by Maura Herlihy for Bruce Knight, Seconded by Mayor Tom Cote, 7-0 in favor of Bruce Knight.
9. Election of Secretary for 2019/2020 Budget Committee: Motion by Mayor Tom Cote in favor of Councilor Maura Herlihy, seconded by Lance Hoenig , 7-0 in favor of Councilor Maura Herlihy.
10. Establish Rules of Procedure. Brief discussion.

NOTE: Comment and discussion regarding adjustments to the Budget not constraining School or City ability to spend any additional money as they deem fit. Overall agreement that it is not the job of the Budget Committee to micromanage the School or City spending but if a specific amount is appropriated to target a need or issue they would want that money to be used in that way.

11. Presentation- Overview of the 2019/2020 Municipal and School Budget
  - a. City Manager Steve Buck
  - b. School Business Manager Gwen Bedell

# City of Sanford

## Village of Springvale

### 2019/2020

### Budget



## Prior Fiscal Year 2018 vs. 2019

FY 18 vs. FY 19		
Combined Expense	\$ 73,996,858.00	
Combined CIP	\$ 3,206,402.00	
County Tax	\$ 750,046.00	
<b>Total Appropriation</b>	<b>\$ 77,953,306.00</b>	
Combined Revenue	\$ (45,477,811.00)	
Combined Use of Fund Balance	\$ (1,904,213.00)	
<b>Net Appropriation</b>	<b>\$ 30,571,282.00</b>	
Mil Rate for Municipal & School FY 19	\$ 20.50	
FY 18	\$ 20.74	
<b>Total Net Change/\$1,000</b>	<b>\$ (0.2400)</b>	<b>-1.16%</b>

## Prior Year Comparison of FY 17/18 to FY 18/19

Comparison of FY 17/18 to FY 18/19 - Last Year		
<b>Municipal Impacts</b>		
Expense	\$ 23,805,515.00	\$ 1,478,621.00
Debt Service	\$ 682,119.00	\$ 40,402.00
Total Appropriation	\$ 24,487,634.00	\$ 1,519,023.00
Revenue	\$ (10,709,043.00)	\$ 1,314,868.00
Use of Fund Balance/Carry Forward	\$ (850,000.00)	\$ 258,311.00
Net Appropriation Net Operations	\$ 12,928,591.00	\$ 462,466.00
CIP	\$ 2,824,877.00	\$ 699,030.00
<b>Total Appropriation with CIP</b>	<b>\$ 15,753,468.00</b>	<b>\$ 1,161,496.00</b>
<b>School Impacts</b>		
Expense	\$ 41,414,090.00	\$ 1,900,689.00
Debt Service	\$ 8,095,134.00	\$ 4,100,321.00
Total Appropriation	\$ 49,509,224.00	\$ 6,001,010.00
Revenue	\$ (34,768,768.00)	\$ 5,588,772.00
Use of Fund Balance/Carry Forward	\$ (1,054,213.00)	\$ (329,213.00)
Net Appropriation Net Operations	\$ 13,686,243.00	\$ 83,025.00
CIP	\$ 381,525.00	\$ 72,625.00
<b>Total Appropriation with CIP</b>	<b>\$ 14,067,768.00</b>	<b>\$ 155,650.00</b>

## Comparison of FY 18/19 to FY 19/20

Comparison of FY 18/19 to FY 19/20 - This Year		
<b>Municipal Impacts</b>		
Expense	\$ 25,881,815.00	\$ 2,076,300.00
Debt Service	\$ 1,020,941.00	\$ 338,822.00
Total Appropriation	\$ 26,902,756.00	\$ 2,415,122.00
Revenue	\$ (12,056,379.00)	\$ 1,347,336.00
Use of Fund Balance/Carry Forward	\$ (850,000.00)	\$ -
Net Appropriation Net Operations	\$ 13,996,377.00	\$ 1,067,786.00
CIP	\$ 2,970,688.00	\$ 145,811.00
<b>Total Appropriation with CIP</b>	<b>\$ 16,967,065.00</b>	<b>\$ 1,213,597.00</b>
<b>School Impacts</b>		
Expense	\$ 42,159,697.00	\$ 745,607.00
Debt Service	\$ 11,514,405.00	\$ 3,419,271.00
Total Appropriation	\$ 53,674,102.00	\$ 4,164,878.00
Revenue	\$ (38,520,397.00)	\$ 3,751,629.00
Use of Fund Balance/Carry Forward	\$ (625,000.00)	\$ 429,213.00
Net Appropriation Net Operations	\$ 14,528,705.00	\$ 842,462.00
CIP	\$ 381,825.00	\$ 300.00
<b>Total Appropriation with CIP</b>	<b>\$ 14,910,530.00</b>	<b>\$ 842,762.00</b>

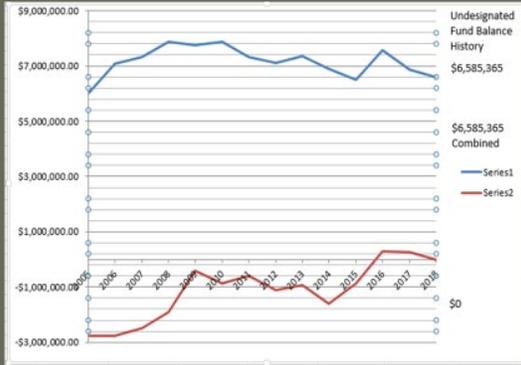
## Fiscal Year 2019 vs. 2020

FY 19 vs. FY 20		Net Change LY
Combined Expense	\$ 80,576,858.00	\$ 6,580,000.00
Combined CIP	\$ 3,352,513.00	\$ 146,111.00
County Tax	\$ 750,046.00	\$ -
<b>Total Appropriation</b>	<b>\$ 84,679,417.00</b>	<b>\$ 6,726,111.00</b>
Combined Revenue	\$ (50,576,776.00)	\$ (5,098,965.00)
Combined Use of Fund Balance	\$ (1,475,000.00)	\$ 429,213.00
<b>Net Appropriation</b>	<b>\$ 32,627,641.00</b>	<b>\$ 2,056,359.00</b>
Mil Rate for Municipal & School FY 20	\$ 21.49	\$ 0.9900
FY 19	\$ 20.50	
<b>Total Net Change/\$1,000</b>	<b>\$ 0.9900</b>	<b>4.83%</b>
<b>Net Appropriation due to Operations</b>	<b>\$ 1,910,248.00</b>	<b>6.25%</b>
<b>Net Appropriation due to CIP Mandate</b>	<b>\$ 362,337.00</b>	<b>0.48%</b>
<b>4% Charter Mandate \$2,989,876</b>		

## Resource Allocation and Net Taxation

Resource Allocation and Net Taxation		
<b>Expense Budget Comparisons</b>		
Municipal	\$ 26,902,756.00	33.39%
School	\$ 53,674,102.00	66.61%
<b>2-Year Net Increase to Taxation</b>		
Municipal	\$ 3,934,145.00	27.90%
School	\$ 10,165,888.00	72.10%
<b>Non-Property Tax Revenue</b>		
Municipal	\$ (12,056,379.00)	23.84%
School	\$ (38,520,397.00)	76.16%
<b>2-Year Net Increase to Revenue</b>		
Municipal	\$ 2,662,204.00	22.18%
School	\$ 9,340,401.00	77.82%
<b>Net Appropriations Operations</b>		
Municipal	\$ 13,996,377.00	49.07%
School	\$ 14,528,705.00	50.93%
<b>Net Use of CIP</b>		
Municipal	\$ 2,970,688.00	88.61%
School	\$ 381,825.00	11.39%
<b>Total Appropriations with CIP</b>		
Municipal	\$ 16,967,065.00	53.23%
School	\$ 14,910,530.00	46.77%

## Undesignated Fund Balance History



## Comparison of FY 18/19 to FY 19/20

Comparison of FY 18/19 to FY 19/20 - This Year		
<b>Municipal Impacts</b>		<b>FY 19 vs. FY 20</b>
Expense	\$ 25,881,815.00	\$ 2,076,300.00
Debt Service	\$ 1,020,941.00	\$ 338,822.00
Total Appropriation	\$ 26,902,756.00	\$ 2,415,122.00
Revenue	\$ (12,056,379.00)	\$ 1,347,336.00
Use of Fund Balance/Carry Forward	\$ (850,000.00)	\$ -
Net Appropriation Net Operations	\$ 13,996,377.00	\$ 1,067,786.00
CIP	\$ 2,970,688.00	\$ 145,811.00
<b>Total Appropriation with CIP</b>	<b>\$ 16,967,065.00</b>	<b>\$ 1,213,597.00</b>
<b>School Impacts</b>		<b>FY 19 vs. FY 20</b>
Expense	\$ 42,159,697.00	\$ 745,607.00
Debt Service	\$ 11,514,405.00	\$ 3,419,271.00
Total Appropriation	\$ 53,674,102.00	\$ 4,164,878.00
Revenue	\$ (38,520,397.00)	\$ 3,751,629.00
Use of Fund Balance/Carry Forward	\$ (625,000.00)	\$ 429,213.00
Net Appropriation Net Operations	\$ 14,528,705.00	\$ 842,462.00
CIP	\$ 381,825.00	\$ 300.00
<b>Total Appropriation with CIP</b>	<b>\$ 14,910,530.00</b>	<b>\$ 842,762.00</b>

	FY 19 vs. FY 20	Net Change LY
Combined Expense	\$ 80,576,858.00	\$ 6,580,000.00
Combined CIP	\$ 3,352,513.00	\$ 146,111.00
County Tax	\$ 750,046.00	\$ -
<b>Total Appropriation</b>	<b>\$ 84,679,417.00</b>	<b>\$ 6,726,111.00</b>
Combined Revenue	\$ (50,576,776.00)	\$ (5,098,965.00)
Combined Use of Fund Balance	\$ (1,475,000.00)	\$ 429,213.00
<b>Net Appropriation</b>	<b>\$ 32,627,641.00</b>	<b>\$ 2,056,359.00</b>
Mill Rate for Municipal & School FY 20	\$ 21.49	\$ 0.9900
FY 19	\$ 20.50	
<b>Total Net Change/\$1,000</b>	<b>\$ 0.9900</b>	<b>4.83%</b>
<b>Net Appropriation due to Operations</b>	<b>\$ 1,910,248.00</b>	<b>6.25%</b>
<b>Net Appropriation due to CIP Mandate</b>	<b>\$ 362,337.00</b>	<b>0.48%</b>
<b>4% Charter Mandate</b>	<b>\$2,989,876</b>	

Tax Rate Projections are based on 9 million in new valuation. Balance of valuation increase is adjustments in overall value of existing homes. Primarily increased valuation falls within the single family market.

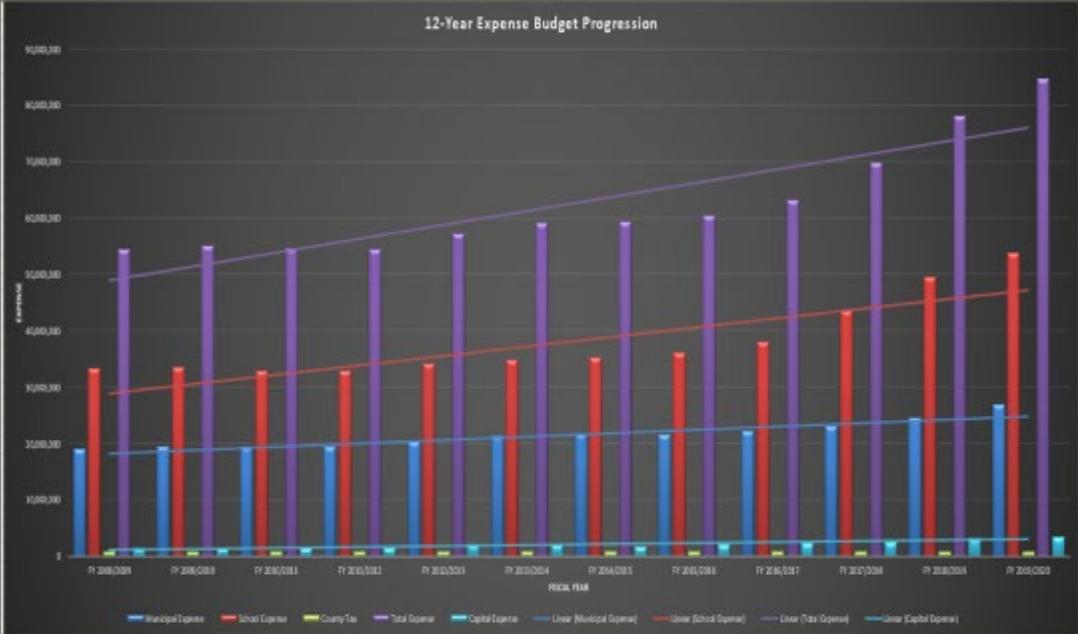
# Tax Rate Projection

	FY 2018/2019 APPROVED BUDGET	FY 2019/2020 Department Requests		FY 2019/2020 City Manager Recommendation	
3/5/2019 15:11					
<b>VALUATION</b>					
Homestead Exemption at \$20,000 but State will only reimburse communities 62.5%					
Less Homestead Value					
Net Valuation:	1,472,616,020	1,500,000,000		1,500,000,000	
			2% increase in assessments		2% increase in assessments
<b>APPROPRIATIONS</b>					
<b>COUNTY</b>					
County Tax (Assessed)	750,046	750,046		750,046	
Total County Tax:	750,046	750,046	0.00%	750,046	0.00%
<b>MUNICIPAL</b>					
Municipal Services	23,119,803	25,417,840	9.94%	25,236,103	9.15%
Libraries	561,975	586,734	4.41%	561,975	0.00%
Outside Agencies	123,737	120,783	-2.39%	83,737	-32.33%
Debt Service	662,119	1,020,941	49.67%	1,020,941	49.67%
Total Municipal Appropriation:	24,467,634	27,146,298	10.86%	26,902,756	9.86%
<b>SCHOOL</b>					
Education	40,665,628	42,662,509	4.76%	41,512,632	2.08%
Debt Service	8,095,134	11,514,405	42.24%	11,514,405	42.24%
Adult Education	748,462	656,654	-12.27%	647,065	-13.55%
Total School Appropriation:	49,509,224	54,773,068	10.63%	53,674,102	8.41%
<b>CAPITAL RESERVE</b>					
Municipal	2,824,877	5,267,124	86.45%	2,970,688	5.16%
School	381,525	381,525	0.00%	381,825	0.08%
Total Capital Reserve:	3,206,402	5,648,649	76.17%	3,352,513	4.56%
<b>TOTAL APPROPRIATION:</b>	<b>77,953,306</b>	<b>88,318,061</b>	<b>13.30%</b>	<b>84,679,417</b>	<b>8.63%</b>

# Tax Rate Projection

	FY 2018/2019 APPROVED BUDGET	FY 2019/2020 Department		FY 2019/2020 City Manager Recommendation	
<b>REVENUE</b>					
<b>MUNICIPAL</b>					
Revenue Sharing	1,598,513	1,598,513	0.00%	1,913,483	19.70%
Municipal Revenue	9,110,530	9,144,697	0.38%	10,142,916	11.33%
Total Municipal Revenue:	10,709,043	10,743,210	0.32%	12,056,379	12.58%
<b>SCHOOL</b>					
School Revenue	33,194,493	37,249,744	12.22%	37,249,744	12.22%
Miscellaneous Revenue	350,275	118,000	-66.31%	118,000	-66.31%
Adult Education State Subsidy	180,000	155,153	-13.80%	155,153	-13.80%
Other Adult Education Revenue	99,000	35,000	-64.65%	35,000	-64.65%
Adon School Tuition/Food Service	945,000	962,500	1.85%	962,500	1.85%
School Unassigned Fund Balance	0	0	0.00%	0	0.00%
Carry Forward FY19	1,054,213	625,000	-40.71%	625,000	-40.71%
Total School Revenue:	36,822,981	39,145,397	9.27%	39,145,397	9.27%
<b>TOTAL REVENUE:</b>	<b>46,532,024</b>	<b>49,888,607</b>	<b>7.21%</b>	<b>51,201,776</b>	<b>10.64%</b>
Amount To Be Raised by Taxation:	31,421,282	38,429,454	22.30%	33,477,641	6.54%
<b>BASE TAX RATE:</b>	<b>\$21.34</b>	<b>\$25.62</b>		<b>\$22.32</b>	<b>4.60%</b>
<b>USE OF UNDESIGNATED FUNDS:</b>	<b>850,000</b>	<b>850,000</b>	<b>0.00%</b>	<b>850,000</b>	<b>0.00%</b>
Less U.F. Rate:	(\$0.58)	(\$0.57)		(\$0.57)	-1.83%
<b>NET TO BE RAISED BY TAXATION:</b>	<b>30,571,282</b>	<b>37,579,454</b>	<b>22.92%</b>	<b>32,627,641</b>	<b>6.73%</b>
<b>MINIMUM TAX RATE:</b>	<b>\$20.78</b>	<b>\$25.05</b>	<b>20.68%</b>	<b>\$21.75</b>	<b>4.78%</b>
Homestead:	(\$974,562.81)	Assume Same		Assume Same	
Homestead Rate:	(\$0.66)	(\$0.66)	Projecte	(\$0.66)	0.00%
<b>BETE:</b>	<b>(\$426,154.90)</b>	<b>Assume Same</b>		<b>Assume Same</b>	
<b>BETE Rate:</b>	<b>(\$0.29)</b>	<b>(\$0.29)</b>		<b>(\$0.29)</b>	
Overlay Amount:	\$233,259.55	Assume Same		Assume Same	
Overlay Rate:	\$0.16	\$0.16		\$0.16	
TIF Amount:	\$785,528.87	Assume Same		Assume Same	
TIF Rate:	\$0.53	\$0.53		\$0.53	
<b>SELECTED TAX RATE:</b>	<b>\$20.60</b>	<b>\$24.79</b>	<b>\$4.29</b>	<b>\$21.49</b>	<b>\$0.99</b>

# Expense Trends



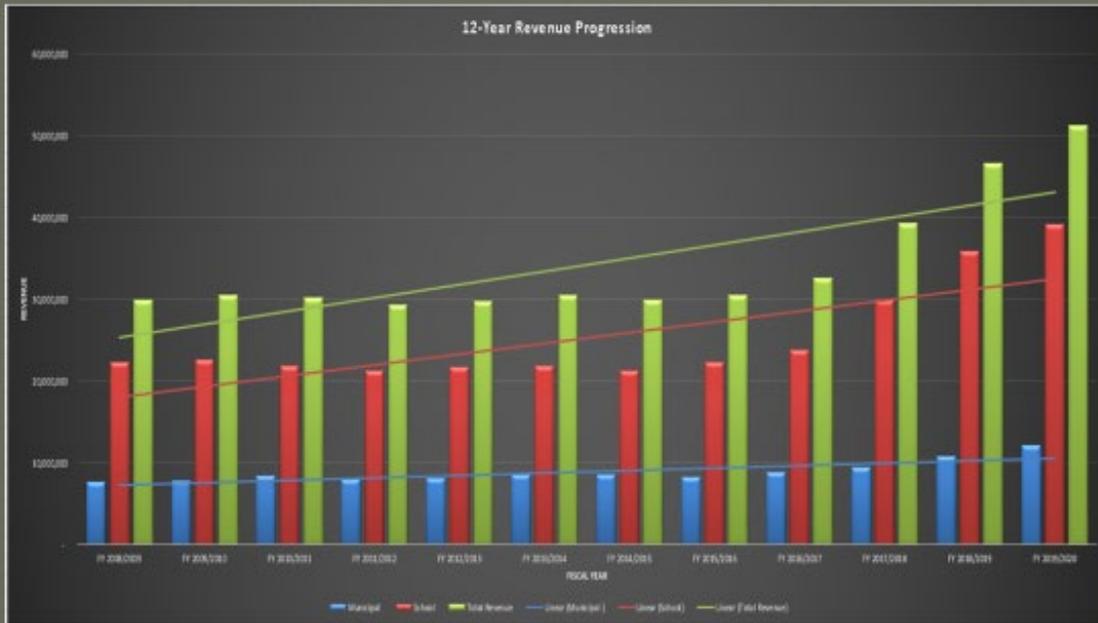
## Expense Average 12 Year vs 4 Year

Expense 12-Year Average	
Municipal	\$715,076.55
School	\$1,861,660.27
Capital	\$179,134.82
Total	\$2,755,871.64
Expense 4-Year Average	
Municipal	\$1,366,735.25
School	\$4,394,362.00
Capital	\$334,283.50
Total	\$6,078,177.50

CIP should really be hovering around 7.5%. That is a percentage that would manage actual need for roads, sidewalks, rolling stock and other.

Lance: Could we see the Expense and Revenue Charts without the new school debt built into either.

# Revenue Trends

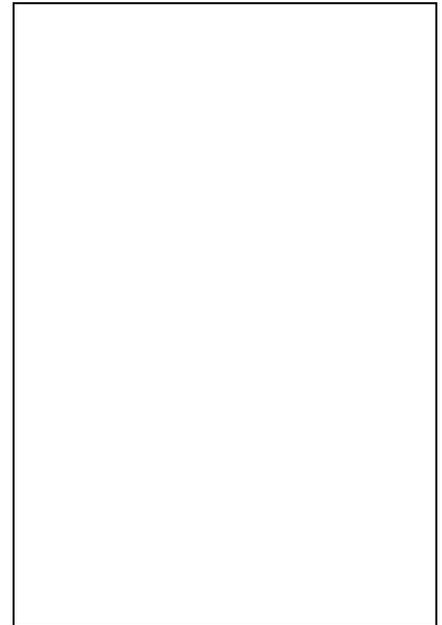


## Revenue Average 12 Year vs 4 Year

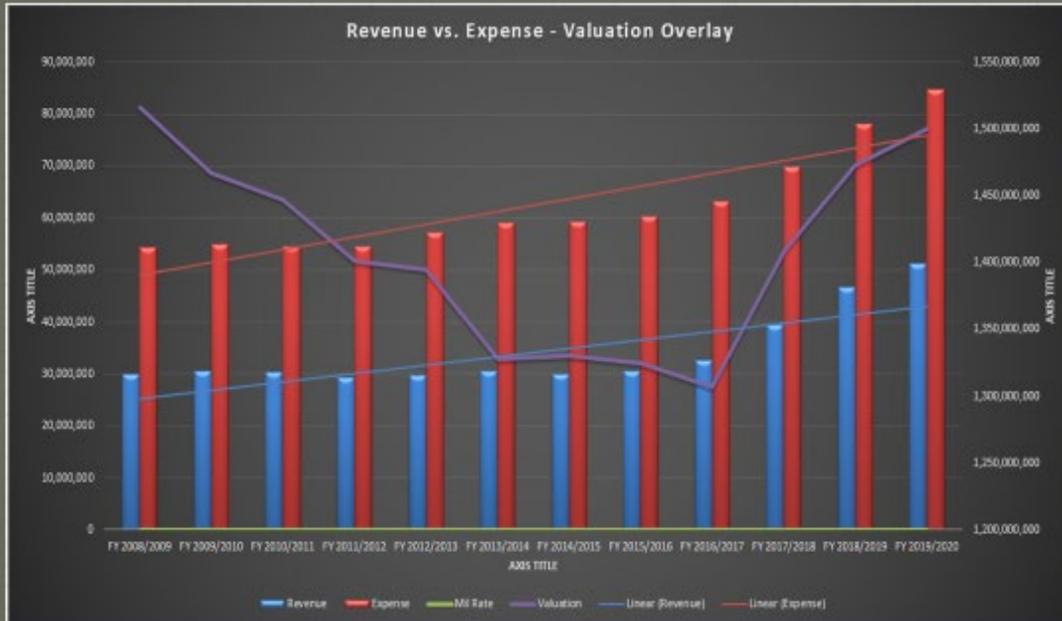
Revenue 12-Year Average	
Municipal	\$401,532.45
School	\$1,534,483.27
<b>Total</b>	<b>\$1,936,015.73</b>

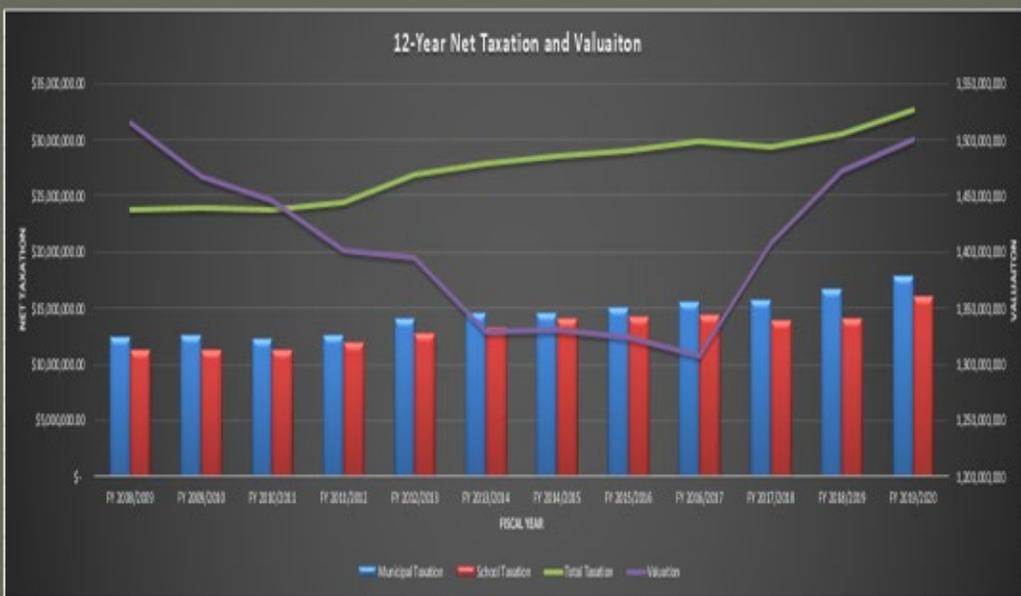
Revenue 4-Year Average	
Municipal	\$960,379.25
School	\$4,231,914.50
<b>Total</b>	<b>\$5,192,293.75</b>

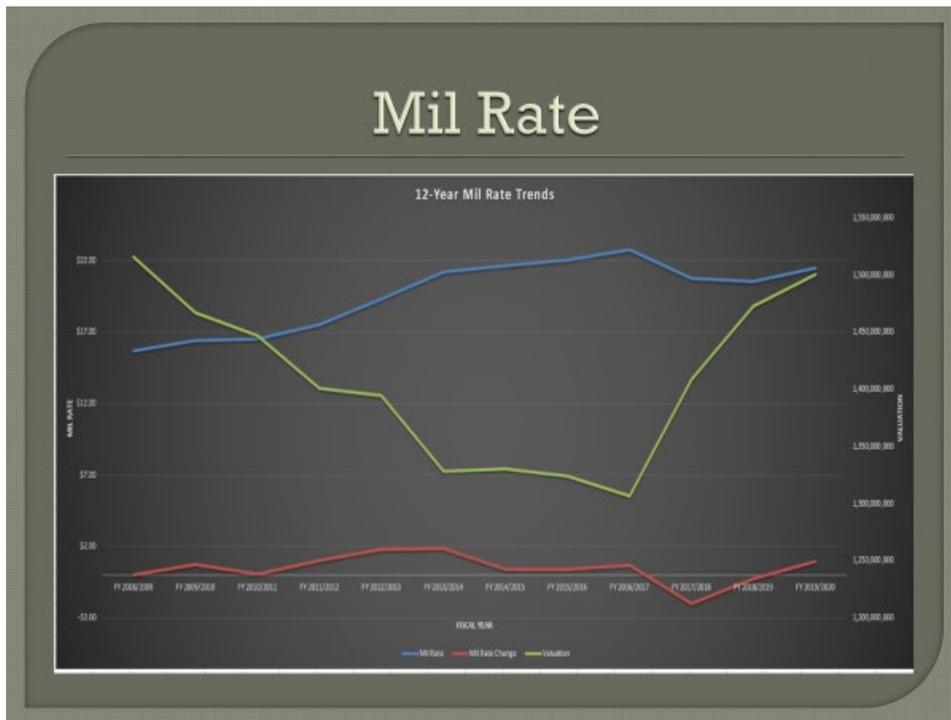


# Expense vs Revenue



# Net Taxation





Sustainability: The growth in property valuation decreasing for 9 of the last 12 years has been a large problem with building sustainability in the budget while managing the needs of the school and city.

12. Set agenda for next Budget Committee meeting – March 14, 2019 @ 6 pm.

a. Presentation of the City Budget

13. Public Participation: None

14. Budget Committee Member Comments

a. **Bruce Knight:** Afraid of the tax situation for the elderly

b. **Mesha Quinn:** No comment

c. **Jonathan Mapes:** Does not think an increase in the range of 1 to 2% is doable this year with the changes that have occurred in the marketplace for labor and the inflation of so many costs that effect our budget. Expects a larger increase this year.

d. **Lance Hoenig:** Information we are looking at for a first meeting is so much better than we have looked at in prior years.

e. **Councilor Robert Stackpole:** Focus on the idea of consistency but it is a difficult thing to achieve. Our goal should be a consistent level of taxation but it is not necessarily going to be a low 0-1%. This is going to be a tough year but we need to discuss a consistent level of investment. If the revenue from the expected projects had arrived this year Sanford would be having a different conversation with the budget. Disappointed at this point in time about the low amount of revenue sharing that is coming in from Augusta.

f. **Councilor Maura Herlihy:** Mentioned conversation with Representative Mastraccio about the overall feeling in Augusta that Municipal Revenue needs to be increased and returned back to 5%.

g. **Mayor Tom Cote:** Appreciative of all the hardwork that has gone into the budget. Nervous of the valuation situation so anxious to see how valuation effects the overall budget impact for the

homeowners. Conversation in particular about homes valued over \$ 200,000 within Sanford/Springvale. When will the Governor's Budget be finalized?: response from City Manager that it is likely not until the end of the session.

- h. **Manager Steve Buck:** LOST initiative by MMA and the Mayor's Coalition: 1% above State sales tax would go to the municipality in which it was raised.

15. **Chairman Lance Hoenig** adjourned the meeting at 7:11 PM.