

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

## ***Budget Committee Meeting Minutes March 9, 2017, 6:00 PM City Hall Annex, 3<sup>rd</sup> Floor Council Chambers***

1. **Call to Order:** Meeting Called to order by Lance Hoenig @ 6:04 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 (arrived 6:17 pm)
  - a. **Staff:** City Manager Steve Buck, City Finance Director Ronni Champlin, City Treasurer Paula Simpson
  - b. **Audience Participants:**
    - i. School Committee: Jonathan Mapes, John Roux
    - ii. City Council:
    - iii. Staff: Assistant Superintendent Matt Nelson
4. **Adjustments to the Agenda:**
5. **Approval of the March 2, 2017 Meeting Minutes:** Motion to approve made by James Drummey, seconded by Mayor Cote, 6-0 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 OPERATIONS  
& CIP**

By: Steven R. Buck, City Manager

Budget Committee Presentation  
March 9, 2017

<b>Opening Comments</b>
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## COMPARISON OF FY 16/17 TO FY 17/18

Comparison of FY 16/17 to FY 17/18 - This Year			
Municipal Impacts	FY 17 vs. FY 18		
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>\$</b>	<b>291,839.00</b>

Slide 1

## 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

Budget  
Review

As of  
3/9/17

Slide 2

## MUNICIPAL OPERATIONAL EXPENSES BY CLASSIFICATION

Expense Classification	2015/2016 Actual	2016/2017 Revised Budget	2017/2018 Proposed Budget	Variance (17/18 vs. 16/17)
Salaries	\$10,103,454	\$10,585,765	\$11,175,065	\$589,300
EE Benefits & Insurance	\$4,295,481	\$4,530,578	\$4,869,897	\$339,319
Petroleum Fuels	\$217,374	\$315,677	\$328,884	\$13,207
Electricity, Water & Sewer	\$340,170	\$360,445	\$366,103	\$5,658
Hydrants	\$641,348	666,697	\$666,697	\$0.00
Debt Service	<u>\$791,563</u>	<u>\$827,604</u>	<u>\$641,717</u>	<u>-\$185,887</u>
<b>Total Expenses</b>	<b>\$16,389,390</b>	<b>\$17,286,766</b>	<b>\$18,048,363</b>	<b>\$761,597</b>

### Slide 3

Full Time salaries include the full funding of the 2 positions hired late in the FY 2016/17.

### Manager Notes on Slide 3

#### Salaries:

<b>Full Time Salaries</b>	Increased	\$483,544	Includes 4 new public safety positions and the funding of prior year approved positions and contractual increases
		1 Dispatcher	\$41,338
		1 Police Officer	\$47,569
		2 Fire Fighters	\$52,337 for 1                      \$104,674 for 2
<b>Over Time Salaries</b>	Increased	\$53,426	Contractual increases to include 190 hours for each new FF
<b>Part Time Salaries</b>	Increased	\$20,937	\$34,950 for Call Company moved from contract services and the reduction of the Airport Manager in Part time salaries \$42,853 and moved to Full time.
<b>Holiday</b>	Increased	\$10,979	Includes new positions and contractual increases. 182.2 hours for each new FF.
<b>Sick</b>	Increased	\$18,533	Contractual increases and employees reaching their required banked amount in order to get a buyout
<b>Allowances</b>	Increased	<u>\$1,880</u>	Contractual increase for Dispatch telephone reimbursement \$25 to \$35 a month - \$420 annually
<b>Total Salaries</b>	<b>Increased</b>	<b>\$589,300</b>	
<b>EE Benefits &amp; Insurance:</b>	**Did not anticipate 13% increase in Health Insurance, WC increase or MAINEPERS increases**		
<b>Group Life Expense</b>	Increased	\$912	Group Life Insurance thru MainePERS for Retirees (approximately 21 retirees)
<b>Unemployment</b>	Increased	\$89	2017 Contribution 1 <sup>st</sup> \$12,000/employee \$2,467,840 X contribution rate of 2.37% less \$10,141 dividend for an annual contribution of \$48,347.
<b>Income Protection</b>	Increased	\$23,297	Short Term Disability 70% of annual salary. \$2,04 per month for each \$100 of monthly coverage.
<b>Worker's Compensation</b>	Increased	\$105,535	Experience Modification Rate 1.07. Individual class code rates, payroll, experience modification factor changes as well as claim experience effects the contributions.
<b>Audited payroll 1/2016-1/2017 \$10,514,519.</b>			
<b>Social Security</b>	Increased	\$38,222	Reflects contractual increases, 4 new positions, increase in minimum wage, taking on Call Fire Company as employees.
<b>Health Insurance Increased</b>	\$266,729		POSC 13% increase and POS200 13% increase + a 2% surcharge. The budget reflects a 4% increase only because of the HRA savings/offset of \$180,240.
<b>Use of HRA Savings</b>	<u>-180,240</u>		Employee Contributions 20% for all Contracts 15% for Non Union
<b>Health Insurance Sub Total</b>		\$86,489	MOP 70% for NU, PO, Fire, Dispatch; MOP 60% GS; MOP 50% for Public Works

### Slide 3 Manager Notes, Cont....

**ICMA** Increased \$135 6 Employees currently participate in ICMA.

**MAINEPERS** Increased \$84,640 AC Plan 9.5% to 9.6%; 1C Plan 14.2% to 15.7%; 2C Plan 9.1% to 10.1%; 3C Plan 11.4% to 12.2%

**Total EE Benefits & Insurance:** Increased \$339,319

#### **Petroleum Fuels:**

**Fuel Oil** Decreased \$ 4,400 Contract with Dead River Company \$2.2430 per gallon – 9/23/2016 – 5/31/2017. Previous year budgeted \$2.2430 per gallon.

**Propane Gas** Decreased \$ 3,543 Propane purchases are with Downeast Energy budgeted \$1.6325 per gallon. Previous year budgeted \$2.10 per gallon.

**Gasoline** Increased \$ 8,690 Entered into an agreement with WEX. Dec 2015 budgeted \$2.15 gasoline. Previous year budgeted \$1.96 per gallon.

**Diesel Fuel** Increased \$13,760 Entered into an agreement with WEX. Dec 2015 budgeted \$2.36 per gallon. Previous year budgeted 2.04 per gallon.

**Natural Gas** Decreased \$ 1,300 Fire Department is the only Department that utilizes natural gas. Purchases are from Unitil

**Total Petroleum Fuels** Increased \$13,207

**Water** Decreased \$40 No anticipated increase per Water District.

**Sewer** Decreased \$40 No anticipated increase per Sewer District.

**Electricity** Increased \$5,738 Contracted accounts with Constellation and budgeted \$0.06780/kwh. The City entered into a 48 month agreement effective 11/1/2016 – 11/1/2020.

**Total Utilities** Increased \$5,658

**Hydrants** No Change \$0 No anticipated increase per the Water District. Hydrant Lease \$166,674 per quarter (Fire Protection Fee) or \$666,697 annually.

**Debt Service** Decreased \$185,887 2006 General Obligation Bond with MMBB, original borrowing of \$1,100,00 Matured Nov 2016. Purpose of providing funds for renovations to the Springvale fire station annex, acquisition of property for the central fire station and construction of the public works complex.

## SUMMARY OF IMPACTS TO EXPENSES MAJOR EMPLOYMENT COSTS

■ Employment costs increased by \$928,619

▪ Wages increased by	\$589,300
▪ Social Security increase	\$ 38,222
▪ Health Insurance increase	\$ 86,489
▪ Retirement Programs increase	\$ 135
▪ Group Life increase	\$ 912
▪ Unemployment increase	\$ 89
▪ Income Protection increase	\$ 23,297
▪ Workers Compensation increase	\$105,535
▪ MEPERS increase	<u>\$ 84,640</u>
Employee Benefits & Insurance increase	\$339,319

Total Employment costs represent 62% of the total City Expense Budget

Slide 4

### Slide #4 Manager Notes

**Wages:**

- General Services – contract expires June 30, 2018 – budget 2% as negotiated
- Sanford Regional Communications – contract expires June 30, 2019 – budget 3%
- Sanford Police Association – contract expires June 30, 2019 – budget 3%
- Public Works/Highway Local 481 – contract expires June 30, 2018 – budget 2% as negotiated
- Fire Department Local 1624 – contract expires June 30, 2017 – budget 2%
- Management/Personnel Policies – budget 2% (based on the CPIW average for the previous calendar year)

**New Positions for 17/18:**

Dispatcher	\$41,338	\$ 23,337	Benefits & Insurance
Police Officer	\$47,569	\$ 27,315	Benefits & Insurance
Fire Fighter	\$52,337	\$ 30,490	Benefits & Insurance
Fire Fighter	<u>\$52,337</u>	<u>\$ 30,490</u>	Benefits & Insurance
Sub Total of New Positions	\$193,581	\$111,632	Total Wages and Benefits \$305,213

**Previous Year Adjustments brought forward:**

- ½ **Community Development Director** \$56,917 position in 16/17 was funded for only 6 months (Rental Housing License, Inspections and Code Enforcement)
- Airport Manager** \$15,428 position approved for an additional 10 hours per week – from 30 to 40 hours per week (Ranger Solar, Life Flight, Restaurant Renovations)
- Codes/Planning Administrative Assistant** \$ 2,947 new position in 16/17 funded for only 11 months
- Public Works Department** \$ 6,344 two new EO1 positions in 16/17 funded for only 11 months each
- Sub Total of Previous Year Positions** \$ **81,636**

**Other Points of Interest**

- Minimum Wage Impact** \$ 7,030 Recreation part time salaries \$7.50 to \$9.00/other summer staff up \$1.00 per hour
- Future minimum wage increases** - 1/1/17 \$9; 1/1/18 \$10; 1/1/19 \$11; 1/1/20 \$12
- Call Fire Department** \$ 34,950 Moved from contract services to part time salaries (Call Fire Company in the past was paid \$54,302.38 out of contract services. \$34,950 moved to part time salaries, \$10,000 to equipment and the remaining balance can be found in employee benefits and insurance to cover associated costs.)

Sub Total POI \$ 41,980

**Total** \$ **428,829**

## MUNICIPAL OPERATIONAL EXPENSES MANDATED AND PUBLIC SAFETY

Slide 5

Expense Classification	2015/2016 Actual	2016/2017 Revised Budget	2017/2018 Proposed Budget	Variance (17/18 vs. 16/17)
General Government	\$1,946,453	\$2,067,609	\$2,158,742	\$91,133
General Assistance & Health Officer	\$233,943	\$260,701	\$261,207	\$506
Fire Department	\$3,886,022	\$3,262,484	\$3,417,128	\$154,644
Police Department & Crossing Guards	\$3,042,176	\$3,276,110	\$3,396,837	\$120,727
Sanford Regional Communications	\$1,367,163	\$1,353,110	\$1,412,577	\$59,467
Public Works Department	\$2,201,334	\$2,221,605	\$2,265,707	\$44,102
Environmental Services	\$1,270,137	\$1,322,666	\$1,355,063	\$32,397
Public Protection	\$0	\$849,493	\$854,346	\$4,853
Mandated Properties	\$636,422	\$663,363	\$687,519	\$24,156
<b>Total Expenses</b>	<b>\$14,583,650</b>	<b>\$15,277,141</b>	<b>\$15,809,126</b>	<b>\$531,985</b>

### Manager Notes Slide 5

**General Government:** (Includes Council, Voter Registration, Administration, Personnel, IS, Codes, Assessing, City Treasurer/Clerk, Legal and Property & Casualty)

**Administration** – Community Development Director ½ year 56,917 (Rental Housing License, Inspections, Code Enforcement)

**Personnel** – Budget includes 1 full time Director and two part time employees, one 30 hours per week and one 20 hours per week. Budget is up 2%.

**Codes/Planning** – Last year budgeted another 20 hours each per week to make a full time Administrative Assistant position. 16/17 budget funded only 11 months because of delayed hiring.

**Information Systems** – Contract services down \$4,767. (Removed Metrocast Fiber – \$5,400 new Franchise Agreement \*\*School Dept to reflect a savings\*\*, MUNIS support up 5% or \$3,198)

**Treasurer/City Clerk** – Increase in FT as employees are reaching longevity steps plus contractual increases, sick time buyout increase \$3,039 – employees reaching banked amount and historically not using sick time.

**Legal Services** – No change \$80,000. Contract for services with Bernstein Shur.

**Property & Casualty Insurance** – 3.6% increase or \$6,209. Based on actual for 16/17 with Maine Municipal Association.

**General Assistance:**

**Non-Contract Services**– no change of \$174,999 in assistance object line. Budget up .2%. Projecting forward based on the current trend for the last year and a half. Gov Lepage’s proposal to eliminate GA in his budget. What does this mean for Sanford?

**Fire Department:**

Budget includes two new fire fighter positions \$104,674. \$47,969 removed Call Fire Department. \$30,000 removed Engineering Fees.

**Police Department & Crossing Guards:**

Budget includes 1 new police officer position \$47,569. Police Department budget up \$120,167 or 3.7 %.

Crossing Guard Budget up \$560 or 1.9%.

**SRCC:**

Budget includes 1 new dispatcher position \$41,338.

**Public Works:**

Budget up \$44,102 or 2%. Full Time Salaries – includes one month for each of the two new EO1 positions approved in the 16/17 budget plus contractual increases. Contractual 2% increases.

**Environmental Services:**

Budget is up \$32,397 or 2.4%. Contract Services – budgeting 3,400 tons of rubbish at \$75.00 per ton. Last year budgeted 3,400 tons at \$73.50 . Contract Service line up \$26,572 – Contract with Pine Tree Waste for curbside and disposal.

**Public Protection:** (new account in 16/17)

Hydrant Rental \$666,697 annual or \$166,674 per quarter.

Hydrant Snow Removal \$25,000 annual.

Street Lighting \$162,649.

**Mandated Properties:** Includes Airport, Oakdale Cemetery and Goodall Library (Goodall requesting a 3% increase or \$11,568)

## MUNICIPAL REVENUES

### Slide 6

Why is Revenue Budgeted in 16/17 lower than the Actuals for 15/16?

Source	15/16 Actual	16/17 Budget	17/18 Budget	Variance
Auto Excise Tax	\$3,333,151	\$3,200,000	\$3,450,000	\$250,000
Revenue Sharing	\$1,481,895	\$1,434,435	\$1,481,895	\$47,460
Waste Transfer Rev	\$594,076	\$570,000	\$596,619	\$26,619
Local Road Assist	\$224,092	\$221,808	\$219,704	-\$2,104
Cable Franchise Fee	\$229,939	\$235,000	\$230,000	-\$5,000
Building Permits	\$83,912	\$120,750	\$100,750	-\$20,000
SRCC	\$1,053,723	\$1,056,508	\$1,077,165	\$20,657
IDC	\$20,000	\$20,000	\$30,000	\$10,000
Fire Dept/EMS Rev	\$347	\$500	\$95,500	\$95,000
EMPG Grant	\$17,673	\$24,000	\$6,000	-\$18,000
Police Offset WC/IP	\$0	\$0	\$30,000	\$30,000
All Other Revenues	<u>\$3,420,572</u>	<u>\$1,940,283</u>	<u>\$1,959,925</u>	<u>\$19,642</u>

### Manager Notes for Slide 6

#### Revenue Sharing:

15/16 expected to receive \$1,164,223 in State Revenue Sharing and received \$1,481,895 (an additional \$317,671 that we did not anticipate at the time of budget preparation)

16/17 expected to receive \$1,434,435 and have received to date \$826,991 57.65%

17/18 no projections as of today on the Treasurer, State of ME website. We are budgeting what we collected in 15/16 or \$1,481,895

#### New Revenues:

\$10,000	IDC – additional contribution for 17/18 for additional Growth Council marketing
\$95,000	SMHC Community Grant – Fire Department/EMS Revenue
-\$18,000	Loss of EMPG Grant from the State for EMA
<u>\$30,000</u>	Police Offset for savings in WC/IP

# 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

## Slide 7

- Parks also includes \$ 50,000 for repairs to the Emery Mills Dam. A cost shared with Acton and Shapleigh.

### Manager Notes for Slide 7

<b>Planning</b>	Brownfields Match	
<b>Police Department</b>	3 Vehicles	
<b>Fire Department</b>	5 Prior year lease payments – SCBA, Ambulance, Engine, Diesel emissions exhaust systems and a Command vehicle and includes a new ambulance lease request	
<b>Airport</b>	Airport Terminal Improvements, Airfield Pavement Marking Equipment, Plow Truck w/wing (DRMO truck from PW)	
<b>Parks, Rec &amp; Facilities</b>	Blouin Field Improvements, Street Signs, City Hall/Annex Improvements \$56,100	
	-\$19,000	Heat Pumps
	-\$7,500	IS Improvements
	-\$9,600	Lighting Improvements for entrance
	-\$20,000	2 <sup>nd</sup> Floor Sprinklers per Fire work plan
<b>Public Works</b>	Charter Mandate of \$1,217,374 and \$208,823 for Equipment	
<b>Information Systems</b>	Computers, IS Infrastructure Improvements, Server Virtualization Lease and Aerial Photography	
<b>Water/Sewer Districts</b>	each contributing \$4,500 toward the Aerial Photography	
<b>Offsetting Revenue: (Special Revenue Accounts)</b>	\$ 88,876	FEMA
	\$ 5,259	Airport Timber sale
	\$ 35,000	Central Maine Power
	<u>\$ 30,003</u>	KKW
	\$159,138	
<b>4% Charter Mandate</b>	\$2,434,747	
<b>Requested Use City</b>	\$2,042,757	
<b>Requested Use School</b>	<u>\$ 308,900</u>	
<b>Needed for 4% Mandate</b>	\$ 83,090	



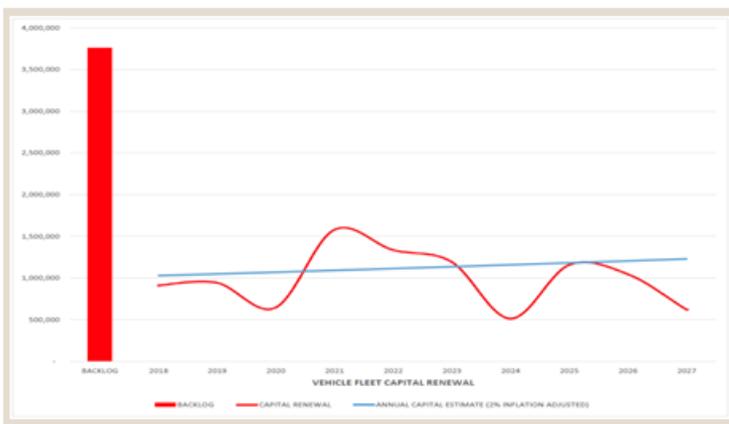
## FY 17/18 CAPITAL IMPROVEMENTS COMPARISONS

2017 Review of Capital Improvements Program Needs versus Current Resource Allocation - Future Bond								
Department - Rolling Stock	Future Replacement Costs	% Replacement	Est. Annualized Capital Renewal Cost	% of Annual	BACKLOG	% of Backlog	Anticipated FY 17/18 CIP	% FY 17/18 vs Annual
Administration	\$ 20,000	0.13%	\$ 1,000	0.21%	\$ -	0.00%	\$ -	0.00%
Airport	1,212,000	7.76%	47,847	4.61%	580,000	10.11%	70,000	147.85%
Assessing	20,000	0.13%	1,333	0.13%	-	0.00%	-	0.00%
Code Enforcement	35,000	0.23%	2,333	0.23%	-	0.00%	-	0.00%
Fire	6,618,000	42.25%	341,117	33.13%	2,115,000	56.25%	249,545	73.15%
Cemeteries	25,000	0.16%	1,000	0.20%	-	0.00%	-	0.00%
Parks	305,000	1.95%	18,117	1.70%	100,000	2.66%	-	0.00%
Police	653,000	4.18%	163,000	15.85%	120,000	3.31%	119,752	73.47%
Public Works	6,738,000	43.12%	452,831	44.05%	1,045,000	27.79%	297,699	65.74%
<b>Total Rolling Stock</b>	<b>\$ 15,626,000</b>	<b>100%</b>	<b>\$ 1,028,078</b>	<b>100%</b>	<b>\$ 3,760,000</b>	<b>100%</b>	<b>\$ 736,992</b>	<b>71.69%</b>
<b>Department - Non-Rolling Stock</b>								
Recreation (Recreation Master Plan)			\$ 202,400	29.42%	\$ 1,235,000	100%	\$ 85,000	42.00%
Public Property			\$ 206,420	30.01%	\$ -	-	\$ 56,100	27.18%
Information Systems			\$ 55,410	8.06%	\$ -	-	\$ 81,200	146.54%
Public Works (Non-Roads)			\$ 40,404	5.87%	\$ -	-	\$ 0,000	19.30%
Airport			\$ 10,000	1.48%	\$ -	-	\$ 56,302	563.02%
Public Safety			\$ 90,842	13.21%	\$ -	-	\$ -	0.00%
Planning			\$ 82,400	11.98%	\$ -	-	\$ 40,000	48.54%
<b>Total Non-Rolling Stock</b>			<b>\$ 687,876</b>	<b>100%</b>	<b>\$ 1,235,000</b>	<b>100%</b>	<b>\$ 326,602</b>	<b>47.48%</b>
Streets & Roads - Non-Rolling Stock (50% CIP)			\$ 2,700,000				\$ 1,217,374	45.09%
<b>Total Streets &amp; Roads</b>			<b>\$ 2,700,000</b>				<b>\$ 1,217,374</b>	
<b>Total All Departments</b>			<b>\$ 4,415,954</b>		<b>\$ 4,995,000</b>		<b>\$ 2,280,968</b>	<b>51.65%</b>
<b>Bond at 10 years 1.00% APR</b>					<b>\$ (585,568)</b>			

### Slide 10

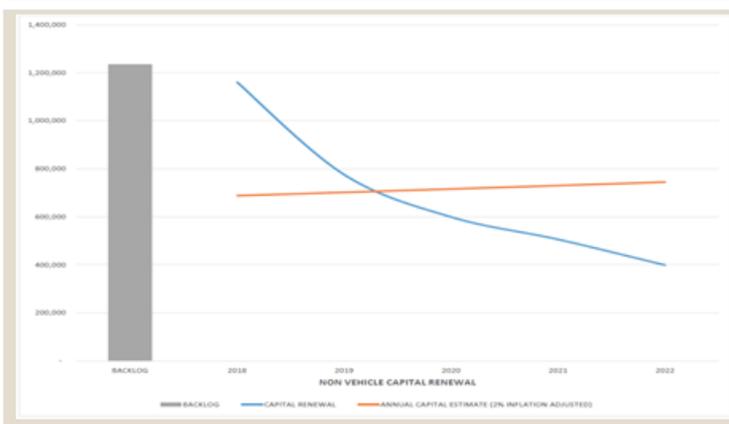
Provides detailed funding information to show what Future Replacement Costs are, what the City should be funding annually for Capital Investments versus what we are funding, monetarily and on a percentage basis. A \$5 million bond would fund current backlog of need. An increase in CIP to \$ 4.4 for just municipal needs going forward would be necessary to keep up with Depreciation. Large needs in Parks & in Roads.

## VEHICLE FLEET CAPITAL RENEWAL



### Slide 11

## NON VEHICLE CAPITAL RENEWAL



### Slide 12

## CHANGES IN FUND BALANCE FOR YEAR ENDED JUNE 30, 2015

City of Sanford, Maine Statement of Revenues, Expenditures and Changes in Fund Balance (Budget and Actual (Budgetary Basis)) General Fund For the year ended June 30, 2015				
	Budgeted amounts		Actual	Variance with final budget positive (negative)
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 31,509,423	\$ 31,500,423	\$ 31,973,098	\$ 472,675
Licenses, permits and fees	3,131,612	3,131,612	2,899,368	(232,244)
Intergovernmental	23,145,144	23,145,144	23,278,421	133,277
Interest earned	60,000	60,000	63,000	3,000
Other	930,871	930,871	956,226	(74,645)
<b>Total revenues</b>	<b>58,776,050</b>	<b>58,776,050</b>	<b>59,200,113</b>	<b>424,063</b>
<b>Expenditures:</b>				
Current:				
General government	6,809,784	6,809,784	6,675,484	134,300
Public services	1,841,331	1,841,331	1,812,307	29,024
Public safety	8,476,266	8,476,266	8,376,424	99,842
Public works	3,531,147	3,531,147	3,548,758	(17,611)
Education	30,296,468	30,296,468	34,175,139	(3,878,671)
County fee	848,529	848,529	848,529	-
Other	942,494	942,494	945,344	(2,850)
Debt service	1,756,500	1,756,500	1,667,620	88,880
Capital improvements	60,138,000	60,138,000	58,856,024	1,281,976
<b>Total expenditures</b>	<b>113,350,000</b>	<b>113,350,000</b>	<b>113,262,622</b>	<b>87,378</b>
Excess (deficiency) of revenues over expenditures	(54,573,950)	(54,573,950)	(54,062,509)	(511,559)
<b>Other financing sources:</b>				
Use of designated fund balance		2,296,278		(2,296,278)
Transfers in			10,462	(10,462)
Transfer out			(34,500)	34,500
Budgeted use of fund balance - City	850,000	850,000	850,000	-
Budgeted use of fund balance - Education	500,000	500,000	500,000	-
<b>Total other financing sources</b>	<b>1,300,000</b>	<b>1,300,000</b>	<b>(24,038)</b>	<b>(1,324,038)</b>
<b>Net change in fund balances - budgetary basis</b>			<b>(52,762,509)</b>	<b>(52,762,509)</b>
<b>Reconciliation to GAAP basis:</b>				
Change in general fund committed funds			27,514	(27,514)
<b>Net change in fund balances - GAAP basis</b>			<b>(52,734,995)</b>	<b>(52,734,995)</b>
Fund balance, beginning of year			6,541,526	
<b>Fund balance, end of year</b>			<b>\$ 8,777,247</b>	

### Slide 13

Municipal change in fund balance for the year ended June 30, 2015 (expenditures only)

General Government	\$ 134,320
Public Services	\$ 28,974
Public Safety	\$ 99,862
Public Works	-\$ 17,621
Debt Service	-\$ 2,855
<b>Positive Budget Variance Expenditures</b>	<b>\$ 242,680</b>

## CHANGES IN FUND BALANCE FOR YEAR ENDED JUNE 30, 2016

City of Sanford, Maine Statement of Revenues, Expenditures and Changes in Fund Balance (Budget and Actual (Budgetary Basis)) General Fund For the year ended June 30, 2016				
	Budgeted amounts		Actual	Variance with final budget positive (negative)
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 32,035,852	\$ 32,035,852	\$ 32,877,332	\$ 841,480
Licenses, permits and fees	2,186,454	2,186,454	2,793,039	606,585
Intergovernmental	25,632,439	25,632,439	25,310,370	(322,069)
Interest earned	60,000	60,000	53,298	(6,702)
Other	582,033	582,033	601,807	19,774
<b>Total revenues</b>	<b>60,356,778</b>	<b>60,356,778</b>	<b>61,635,846</b>	<b>1,279,068</b>
<b>Expenditures:</b>				
Current:				
General government	6,841,015	6,841,015	6,741,690	99,325
Public services	1,850,633	1,850,633	1,834,870	15,763
Public safety	8,372,319	8,372,319	8,337,910	34,409
Public works	3,582,349	3,582,349	3,473,471	108,878
Education	36,337,950	36,337,950	36,362,316	(24,366)
County fee	818,809	818,809	818,809	-
Other	800,071	800,071	718,019	82,052
Debt service	799,505	799,505	793,563	(5,942)
Capital improvements	1,774,003	1,774,003	2,069,485	(295,482)
<b>Total expenditures</b>	<b>61,165,778</b>	<b>61,165,778</b>	<b>60,673,177</b>	<b>492,601</b>
Excess (deficiency) of revenues over expenditures	(809,000)	(809,000)	(1,037,331)	(228,331)
<b>Other financing sources:</b>				
Use of designated fund balance		2,196,956		(2,196,956)
Transfer out			(13,470)	13,470
Budgeted use of fund balance - City	850,000	850,000	850,000	-
<b>Total other financing sources</b>	<b>850,000</b>	<b>850,000</b>	<b>(13,470)</b>	<b>(1,367,956)</b>
<b>Net change in fund balances - budgetary basis</b>			<b>(1,339,731)</b>	<b>(1,339,731)</b>
<b>Reconciliation to GAAP basis:</b>				
Change in general fund committed funds			(12,065)	12,065
<b>Net change in fund balances - GAAP basis</b>			<b>(1,351,796)</b>	<b>(1,351,796)</b>
Fund balance, beginning of year			8,979,130	
<b>Fund balance, end of year</b>			<b>\$ 10,304,464</b>	

### Slide 14

Municipal change in Fund Balance for the year ended June 30, 2016 expenditures only:

General Government	\$ 99,325
Public Services	\$ 15,763
Public Safety	\$ 34,403
Public Works	\$ 110,878
Debt Service	-\$ 2,058
<b>Positive Budget Variance Expenditures</b>	<b>\$ 258,311</b>

## TAX RATE PROJECTION - APPROPRIATIONS

CITY OF SANFORD FY 2017-2018 Tax Rate / Property Tax Office Proposed by Treasurer's Office				
	FY 2016/2017 APPROVED BUDGET	FY 2017/2018 City Manager Recommendation	FY 2017/2018 Budget Committee Recommendation	
<b>VALUATION</b>				
Historical Exemption of \$25,000 but State will only reimburse communities 62.0%				
Less Historical Exemptions	1,306,881,870	1,287,881,870	-	
<b>PROPERTY TAXES</b>				
<b>COUNTY</b>				
County Tax (Assessed)	812,838	812,838	812,838	
<b>MUNICIPAL</b>				
Municipal Services	26,744,744	27,871,141	4,484	100.20%
Library	838,435	813,378	4,381	100.20%
Police	78,844	78,137	707	100.20%
Fire	21,796	-	-	100.00%
Debt Service	87,544	87,544	-	100.00%
<b>Total Municipal Appropriation</b>	<b>32,285,363</b>	<b>33,654,611</b>	5,362	100.00%
<b>SCHOOL</b>				
Education	24,364,031	24,297,800	6,231	100.20%
Senior Services	889,000	1,884,813	450,000	450.00%
Adult Education	889,000	889,000	2,889	100.20%
<b>Total School Appropriation</b>	<b>26,142,031</b>	<b>27,071,613</b>	13,920	100.00%
<b>CAPITAL RESERVE</b>				
Municipal	1,042,787	1,042,787	-	100.00%
School	391,266	391,266	-	100.00%
<b>Total Capital Reserve</b>	<b>1,434,053</b>	<b>1,434,053</b>	-	100.00%
<b>TOTAL APPROPRIATION</b>	<b>60,366,254</b>	<b>62,912,114</b>	19,767	100.33%

### Slide 15

## TAX RATE PROJECTION - REVENUE

### Slide 16

- \*2016/2017 Tax Rate \$22.71
- \*2017/2018 Proposed Tax Rate \$23.33

CITY OF SAFFORD, FY 2017/2018			
	FY 2016/2017 APPROVED BUDGET	FY 2017/2018 City Manager Recommendation	FY 2017/2018 Budget Committee Recommendation
<b>MUNICIPAL</b>			
Revenue Sharing	1,434,435	1,481,855	3,311%
Municipal Revenue	7,382,830	7,705,682	5.11%
Total Municipal Revenue	8,817,265	9,277,537	5.13%
<b>SCHOOL</b>			
School Revenue	21,884,748	21,884,748	0.00%
Insurance Revenue	417,200	388,200	-7.41%
Adult Education State Incentive	187,000	184,000	-1.60%
Other Adult Education Revenue	338,000	180,000	-47.34%
Adult Incentive/Innovation Services	1,813,000	2,250,000	24.21%
School Early Learning	23,727,200	22,926,940	-3.37%
TOTAL REVENUE	32,545,200	32,801,451	16.15%
Amount to be Raised by Taxation	30,657,171	31,830,555	2.52%
BASE TAX RATE	\$23.40	\$24.91	6.41%
<b>USE OF STATE-ASSISTED FUNDS:</b>			
Local U.F. Rate	(\$0.69)	(\$0.00)	0.00%
NET TO BE RAISED BY TAXATION	26,357,171	26,830,555	2.35%
MINIMUM TAX RATE	\$22.23	\$22.73	2.25%
PROPERTY TAX	(\$10,312,202)	(\$12,083,180)	-16.68%
ADDITIONAL TAX	(\$0.47)	(\$0.84)	-1.76%
NET TAX	\$11,032,767	\$13,747,375	24.52%
PROPERTY TAX	(\$0.22)	(\$0.24)	-9.09%
ADDITIONAL TAX	\$11,032,767	\$13,747,375	24.52%
PROPERTY TAX	\$736,487.06	\$6.10	-99.17%
ADDITIONAL TAX	\$0.50	\$0.50	0.00%
NET TAX RATE	\$22.74	\$23.33	2.60%

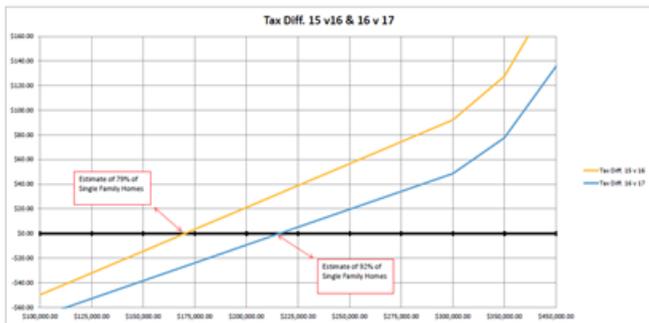
## SINGLE FAMILY HOUSING DISTRIBUTION HOMESTEAD IMPACTS

### Slide 17

Homestead Exemption accounts for the reduction in Municipal Valuation of 19 million dollars being used for tax rate projections.

Homestead Exemption increases to \$ 20,000 of overall valuation and is reimbursed by the State at a rate of 62.5%.

With Homestead and Budget "As Presented" 92% of Single Family Homes would see no change in their tax bill.



## ANTICIPATED USE OF ADDITIONAL \$83,090 IN CIP FUNDS

### Slide 18

These are items that the City would use additional CIP funds for in 2017/18.

- Additional \$29,805
  - Fire Department Cardiac Monitor/Defibrillator
- Additional \$37,000
  - Parks and Recreation Bucket Truck
- Additional \$6,285
  - Information Systems Computers
- Additional \$10,000
  - Phase II Mousam River Bike Path

## MUNICIPAL SUMMARY REVISED

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>\$10,385,868</u>	<u>+\$712,584</u> +7.4%
=Net Tax from Operations	\$12,549,215	\$12,582,743	+33,528 +.27%
+ CIP	<u>\$2,042,757</u>	<u>\$2,125,847</u>	<u>+83,090</u> +4.1%
=Total Net Taxation Excl. County Tax	\$14,591,972	\$14,708,590	+\$116,618 +.80%

City of  
Sanford

FY 17/18

Budget  
Review

As of  
3/9/17

Slide 19

### Manager Notes Slide 19

Includes an additional \$258,311 use of fund balance (this amount reflects the positive budget variance left at year end 6/30/16)

Includes \$83,090 in additional CIP funds (this addition meets the 4% City/School Charter mandate)

General Discussion.

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

**a. Thursday, March 16, 2017 School Budget & Joint Public Hearing**

Overview of Municipal and School Budget for 2017/18

Joint Public Hearing

Detailed Presentation of School Budget

**b. Thursday, March 23, 2017**

Added: Old Business

1. Discussion of Detailed Revenue Projections for Municipal.
2. What comprises the change in the City's Undesignated Fund Balance?

**c. Thursday, March 30, 2017**

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

#### 9. 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 8:07 PM