

April 8, 2019

To: Chairman Garvin and Members of the Town Council:

Submitted herewith is the recommended municipal budget for Fiscal Year 2020, revised as of April 1, 2019. The revised budget would add 11 cents to the tax rate or 2.5% increase to the municipal portion.

The budget includes all ongoing municipal departments and community services. The total combined municipal and community services budget last year was \$12,368,374. This budget proposes \$13,382,695 for an increase of \$1,014,321 in spending or 8.2%. This is offset with a revenue increase from sources other than the property tax of \$456,393 or 9.1%, and revenues of \$300,000 for pay and display parking revenues at Fort Williams Park. The amount to be collected from property taxes is proposed to be \$7,594,295 which is 3.5% more than last year.

So the first question is why is spending due to increase \$1,014,321 or 8.2%.

- \$646,801 of the increase relates to personnel expenses. It is 76% of the total increase in the budget. It includes a 2% average wage increase. It also includes providing for an expansion from two to four per diem fire personnel, improving the Town's coverage. There is an increase in the operating cost at the recycling facility due to increases in ecomaine fees from \$70 to \$73 per ton for household waste, and a new fee for recycling at \$35 per ton. There is an increase in the legal budget due to ongoing lawsuits. Personnel related costs in total are about \$6.99 million or about 51% of the total budget.
- The budget contains significant capital item purchases in line with the planned capital improvement plan.
- There is a planned replacement of the Public Works Department bucket loader at an estimated \$250,000, phase three of the Scott Dyer Road reconstruction is planned to begin in the spring of 2020 at an estimated cost of \$650,000, and additional paving and drainage improvements are planned across Town at an estimated cost of \$300,000.
- With the need of continuous coverage at the Fire Department, there is an anticipated expense of \$75,000 to convert existing space at the Town Center Fire Station into two bedrooms. The Fire Chief will be prepared to discuss this in his budget presentation.
- There is also an anticipated expenditure of \$145,000 for emergency power generators to be installed at the Thomas Memorial Library and partial funding for a new generator at the Middle School and Pond Cove, in collaboration with the School Department.
- Offsetting these increases in capital expense is a use of the unassigned fund balance in the amount of \$750,000 toward capital improvements and continues the use of \$375,000 against annual operating expenses. This will lower the current amount of unassigned funds, but keep the overall level of unassigned funds properly inline with the current policy.
- Additional funding carried forward from the current fiscal year to offset capital expense at \$300,000.
- Finally, the Fort Williams Park fund and Portland Head Light fund will participate in funding capital expense at \$210,000.

The following items are proposed to be purchased from the capital budget.

CIP Requests FY 2020

Category	Funding Request		Revised	Description	
Community Services					
Police	\$	39,000	\$	39,000	Police Cruiser Replacement and equipment installation
Police	\$	5,000	\$	5,000	Cost to move radio service to new tower
Police	\$	5,600	\$	5,600	Replacement of all bullet-proof vests
Police	\$	14,000	\$	14,000	Purchase of speed and message trailer
Police	\$	5,600	\$	5,600	Replace department tasers and associated equipment
Police	\$	8,600	\$	8,600	Issuance and replacement of equipment related to SWAT detail
Town Buildings	\$	57,000	\$	57,000	Installation of pool and spa backwash pump and associated equipment
Town Buildings	\$	9,500	\$	9,500	Replace existing paved sidewalks at Officer's Row with concrete walkways
Town Buildings	\$	145,000	\$	145,000	Installation of back-up generators
Town Buildings	\$	75,000	\$	75,000	Remodeling of storage space for two bedrooms for overnight staff coverage
Town Buildings	\$	35,000	\$	35,000	EMC Server replacement for 9 year old Town server
Town Buildings	\$	12,000	\$	12,000	Replacement of CETV cameras in council chamber
School Buildings					
High School	\$	27,000	\$	27,000	Replace curtains in High School auditorium state area
Middle School	\$	100,000	\$	100,000	CEMS Generator and installation
Middle School	\$	25,000	\$	25,000	Construct 2 offices for Asst Principal and Food service director
Middle School	\$	55,000	\$	55,000	Replace shingle roof on 1930/s building
Pond Cove	\$	50,000	\$	50,000	Pond Cove Playground improvements
Administration	\$	200,000	\$	200,000	Building needs assessment fees
Fire					
Town Administration	\$	57,000	\$	57,000	Phase one of full town wide tax valuation update
Public Works	\$	650,000	\$	650,000	Scott Dyer Road Improvements Phase 3
Public Works	\$	65,000	\$	65,000	Willow Brook Culverts, Planning and Engineering
Public Works	\$	105,000	\$	105,000	Hemlock Hill / Oakhurst Drain Improvements
Public Works	\$	225,000	\$	50,000	Front End Loader replacement Purchased with Lease Purchase Agreement
Public Works	\$	12,500	\$	12,500	Grounds Maintenance Equipment
Public Works	\$	65,000	\$	15,000	Rotary mower replacement Purchased with Lease Purchase Agreement
Paving and Drainage	\$	300,000	\$	300,000	Paving and drainage improvements
Sidewalks	\$	50,000	\$	50,000	Sidewalk Repair and Pedestrian Improvements
Equipment					
Open Space					
Fields	\$	30,000	\$	30,000	MS Athletic Field ADA accessibility
Other					
Town Related CIP	\$	1,982,800	\$	1,802,800	
School Related CIP	\$	457,000	\$	457,000	
Totals:	\$	2,427,800	\$	2,202,800	
Funding Sources					
Unassigned Fund Balance	\$	750,000	\$	750,000	
Fort Williams Park Capital Fund	\$	110,000	\$	110,000	
Rescue Fund	\$	55,000	\$	55,000	
Portland Head Light Fund	\$	50,000	\$	100,000	
Use of Carry Forwards	\$	300,000	\$	300,000	
Total	\$	1,265,000	\$	1,315,000	
To be raised by taxes	\$	717,800	\$	487,800	

Revenues

GENERAL FUND REVENUES		BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ESTIMATED	BUDGET	\$ CHANGE	% CHANGE
		FY 2017	FY 2017	FY 2018	FY 2018	FY 2019	FY 2019	FY 2020	FY 19 to FY 20	FY 19 to FY 20
307	INTEREST/LATECHARGES	\$ 29,000	\$ 32,799	\$ 29,000	\$ 29,000	\$ 29,000	\$ 29,000	\$ 29,000	\$ -	0.0%
318	EXCISE TAXES	\$ 2,020,000	\$ 2,186,038	\$ 2,095,000	\$ 2,240,339	\$ 2,150,000	\$ 2,200,000	\$ 2,200,000	\$ 50,000	2.3%
320	REGISTRATION FEES	\$ 24,500	\$ 24,897	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ -	0.0%
321	CLERKS FEES	\$ 15,000	\$ 14,261	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ -	0.0%
324	POLICE FINES AND FEES	\$ 6,000	\$ 7,153	\$ 7,000	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000	\$ -	0.0%
325	LIBRARY FINES/FEES	\$ -	\$ 315	\$ -	\$ 30	\$ 100	\$ 150	\$ 100	\$ -	0.0%
502	LIBRARY COPIER FEES	\$ -	\$ 1,214	\$ -	\$ 960	\$ 1,000	\$ 1,200	\$ 1,200	\$ 200	20.0%
505	LIBRARY INCOME - ART SALES	\$ -	\$ -	\$ -	\$ 15	\$ 25	\$ -	\$ -	\$ (25)	-100.0%
326	MISCELLANEOUS REVENUES	\$ 96,518	\$ 94,576	\$ 90,000	\$ 70,000	\$ 95,000	\$ 95,000	\$ 95,000	\$ -	0.0%
327	INVESTMENT INCOME	\$ 35,000	\$ 21,011	\$ 35,000	\$ 35,000	\$ 35,000	\$ 56,000	\$ 50,000	\$ 15,000	42.9%
329	MISCELLANEOUS FEDERAL REVENUE	\$ 100	\$ 199	\$ 100	\$ 108	\$ 100	\$ 100	\$ 100	\$ -	0.0%
331	STATE REVENUE SHARING	\$ 416,600	\$ 410,283	\$ 416,600	\$ 416,600	\$ 416,600	\$ 416,600	\$ 475,000	\$ 58,400	14.0%
332	MISCELLANEOUS STATE REVENUE	\$ 57,000	\$ 72,775	\$ 60,000	\$ 80,000	\$ 65,000	\$ 150,000	\$ 80,000	\$ 15,000	23.1%
333	USE OF SURPLUS	\$ 375,000	\$ 1,293	\$ 375,000	\$ 375,000	\$ 375,000	\$ 375,000	\$ 375,000	\$ -	0.0%
335	RECYCLING AREA FEES	\$ 90,000	\$ 65,226	\$ 80,000	\$ 75,000	\$ 80,000	\$ 75,000	\$ 80,000	\$ -	0.0%
336	MDOT BLOCK GRANT	\$ 77,300	\$ 76,980	\$ 78,096	\$ 78,228	\$ 78,000	\$ 78,000	\$ 78,000	\$ -	0.0%
341	COMMUNITY SVCS-ADULT PROGRAMS	\$ 155,000	\$ 116,267	\$ 130,000	\$ 125,035	\$ 130,000	\$ 127,754	\$ 130,000	\$ -	0.0%
346	COMMUNITY CENTER BLDG RENTALS	\$ 33,000	\$ 36,300	\$ 35,000	\$ 35,145	\$ 35,000	\$ 35,000	\$ 35,000	\$ -	0.0%
347	COMMUNITY SVCS-YOUTH PROGRAMS FEES	\$ 562,000	\$ 548,039	\$ 540,000	\$ 432,301	\$ 520,000	\$ 831,000	\$ 758,000	\$ 238,000	45.8%
364	COMMUNITY SVCS-CAPE CARE	\$ 248,000	\$ 252,286	\$ 250,000	\$ 274,815	\$ 275,000	\$ 320,000	\$ 326,000	\$ 51,000	18.5%
366	COMMUNITY SVCS-GRANT FROM THOMAS JORDAN	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ -	0.0%
367	COMMUNITY SVCS- CARRY FORWARD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
375	COMMUNITY SVCS-FITNESS CENTER FEES	\$ 49,000	\$ 55,647	\$ 45,000	\$ 57,200	\$ 55,000	\$ 58,470	\$ 60,000	\$ 5,000	9.1%
625	COMMUNITY SVCS-POOL FEES	\$ 204,250	\$ 182,498	\$ 197,000	\$ 205,670	\$ 206,182	\$ 248,600	\$ 250,000	\$ 43,818	21.3%
339	CABLE FRANCHISE FEE	\$ 150,000	\$ 140,629	\$ 150,433	\$ 160,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ -	0.0%
359	BOAT EXCISE TAXES	\$ 15,000	\$ 15,831	\$ 15,441	\$ 15,400	\$ 15,000	\$ 15,000	\$ 15,000	\$ -	0.0%
410	BUILDING PERMIT FEES	\$ 125,000	\$ 250,258	\$ 145,000	\$ 160,000	\$ 150,000	\$ 155,000	\$ 150,000	\$ -	0.0%
514	POLICE REIMBURSEMENTS	\$ 5,000	\$ 12,711	\$ 11,000	\$ 11,500	\$ 11,000	\$ 11,000	\$ 11,000	\$ -	0.0%
525	MOORING PERMITS	\$ 3,000	\$ 2,950	\$ 4,000	\$ 2,500	\$ 4,000	\$ 4,000	\$ 4,000	\$ -	0.0%
518	SPECIAL FUNDS OVERHEAD	\$ 80,000	\$ 89,367	\$ 80,000	\$ 85,000	\$ 85,000	\$ 85,000	\$ 90,000	\$ 5,000	5.9%
925	ASSESSING-SCARBOROUGH CONTRACT	\$ 53,732	\$ 31,786	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
337	OFFICERS ROW RENTALS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%
NEW	PAY AND DISPLAY PARKING REVENUE							\$ 300,000		
	Subtotal	\$ 4,950,000	\$ 4,768,589	\$ 4,933,670	\$ 5,035,846	\$ 5,032,007	\$ 5,587,874	\$ 5,813,400	\$ 781,393	15.5%

Revenues from sources other than the property tax are projected to have a net increase of \$781,393. Residents have been buying newer motor vehicles and thus monthly collections have been improving. The budget projects \$2.2 million in excise taxes which is \$50,000 more than the budget for the current year. Community Services revenues were adjusted to further reflect the current tracking revenues, however you will note solid gains in Community Services Revenues, specifically in Youth Programming, Cape Care, and an increase in Richards Pool fees. New revenue is forecast for pay and display parking fees at Fort Williams Park in the amount of \$300,000, however this revenue will require approval of setting this program in place for FY2020 by the town council. Finally, in Governor Mills' State budget there is a forecast increase in Revenue Sharing, and revenues reflect a conservative estimated increase.

Thank you very much to the department heads who prepare their budgets each year and who implement them. I look forward to reviewing this proposed budget with the Town Council Finance Committee.

Respectfully submitted,
 Matthew E Sturgis,
 Town Manager