

1. AGENDA - FY19 MUNICIPAL BUDGET.PDF

Documents:

[AGENDA - FY19 MUNICIPAL BUDGET.PDF.PDF](#)

2. FY19 BUDGET WORKSHOP PRESENTATION 5-14-18.PDF

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Portland, Maine



Yes. Life's good here.

## **CITY COUNCIL WORKSHOP**

**May 14, 2018  
4:00 p.m.**

**City Hall – City Council Chambers**

### **AGENDA**

1. FY19 Municipal Budget

Portland, Maine



Yes. Life's good here.

# FY19 Finance Committee Recommended Budget

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WORKSHOP FOR CITY COUNCIL – 5/14/18

Brendan T. O'Connell – Finance Director

# FY19 Finance Committee Recommended Budget – Review to Date

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- Nine meetings over a six week period in April/May
- Culminated with unanimous approval of FY19 City Manager Recommended Budget on 5/9/18  
(budget includes two amendments adding \$68k to tax levy in addition FY19 City Manager Recommendations)
- FY19 Finance Committee Recommended Budget Pamphlet (Yellow Book) is [available for download here](#)
- FY19 Finance Committee requests for information and staff responses document is [available for download here](#)

# FY19 Department Requested Budget

## Where did we start? FY19 DR Budget

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- Departments Requested budgets (“DR”) submitted December (revenues) and January (expenditures)
- If Department Requested budget had simply been put forth with no additional cuts, tax rate increase would have been **18.8%** with a net increase in FTE of over 60 positions
- Finance Department, Budget Team, and City Manager received began budget review in February

# FY19 Department Requested Budget

## Where did we end up? FY19 FC Rec Budget

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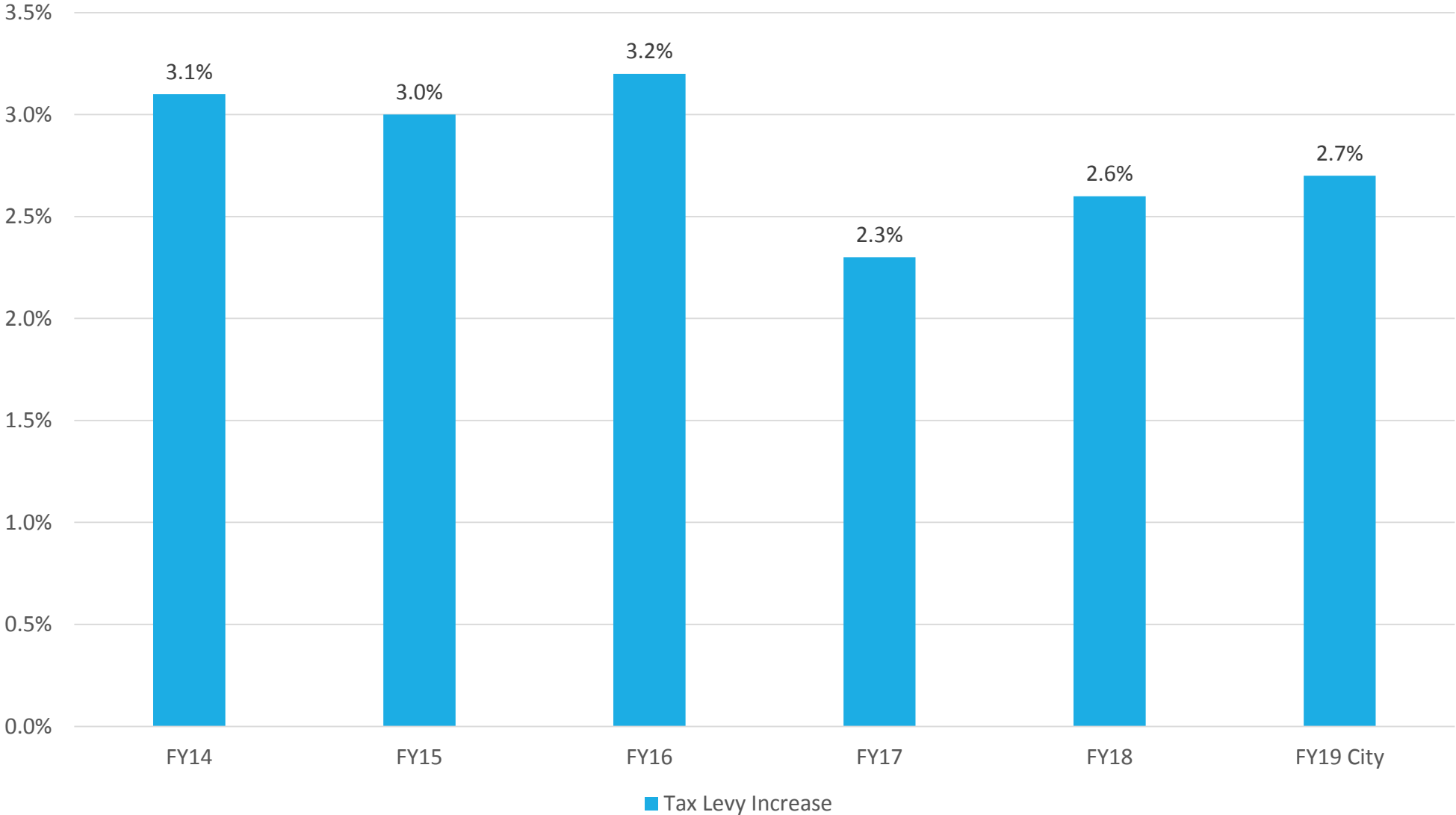
- City Council provided guidance in March of no tax rate increase greater than 2.5% - 2.9%
- City Manager (CM) reduced Department Requested tax levy by approximately \$14M down to 2.6% increase
- During budget reviews, over 70 positions were cut from DR requested budget, ending with a net GF reduction in FTE from FY18 to FY19 of 12.4 positions
- Finance Committee made minor amendments and FC recommended budget includes 2.7% tax rate increase

# Budget Challenges

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- State of Maine Equalized Valuation Increase
- Debt Service Increases
- Expansion to 24/7 Shelter Operations
- Staff Recruitment Issues

# Tax Levy: Increases by Budget Year



Note: FY14 – FY18 figures represent final approved budgets – FY19 represents City Manager Recommended levy with estimated School tax levy increase



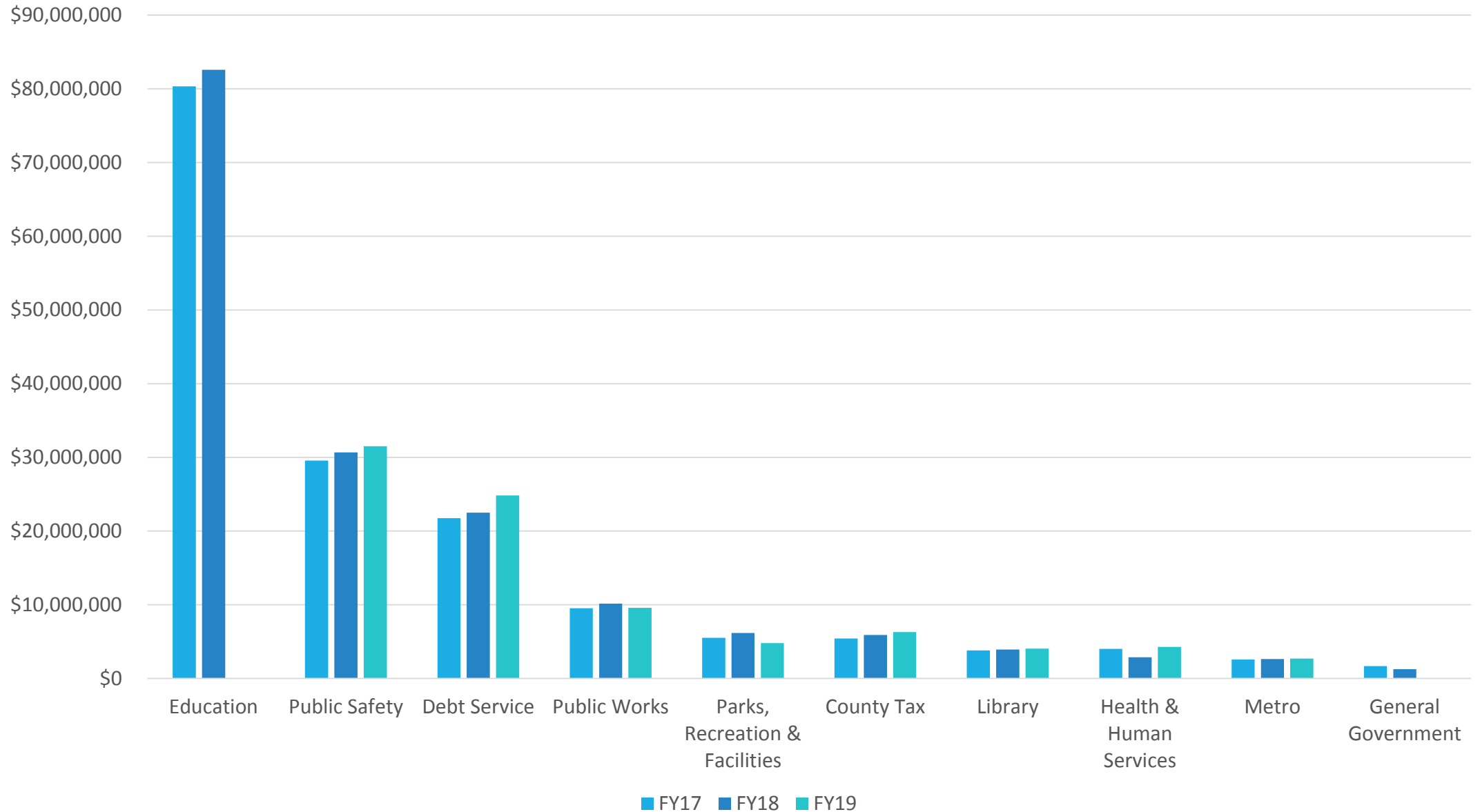
# FY19 Budget Challenges

## Major Non-Discretionary Changes

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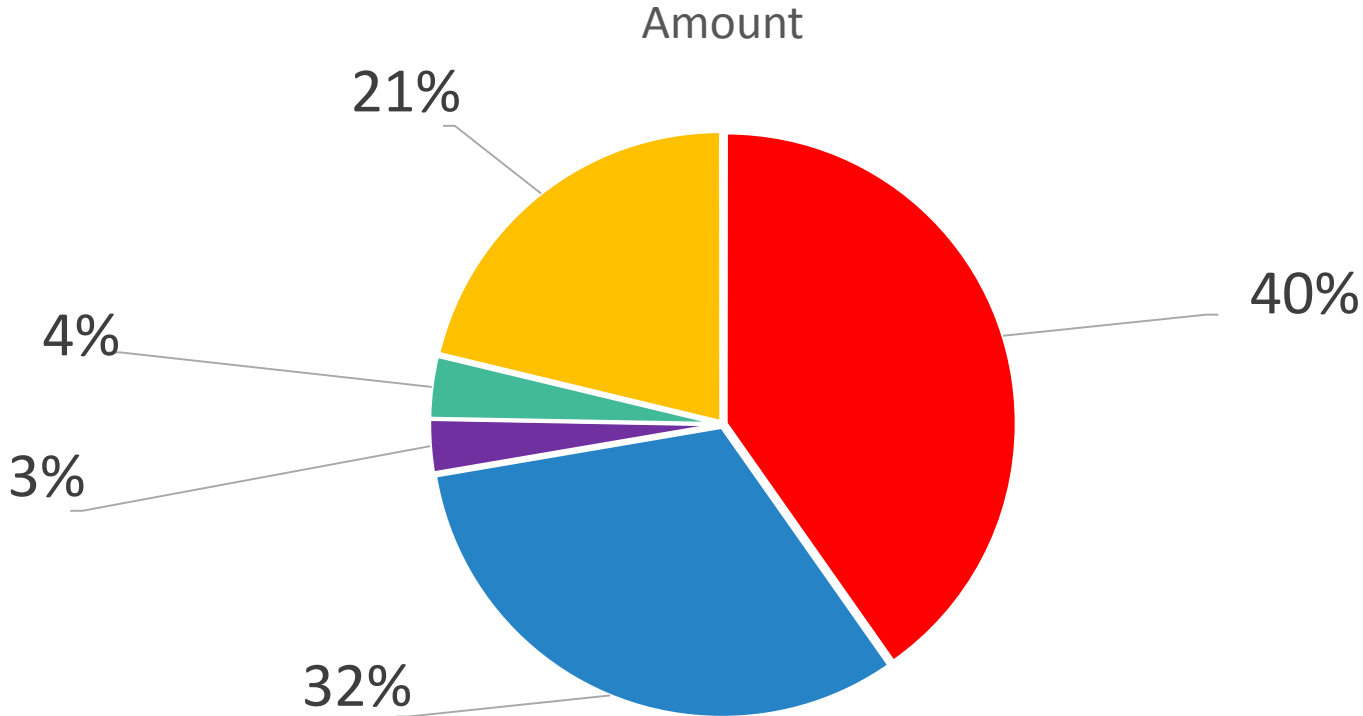
- **State of Maine Valuation – City of Portland**
- \$8.50 for 2017, rising to \$9.05M in 2018 (6.45% increase)
- State of Maine Valuation has several impacts on City budget
- Impacts to Cumberland County tax paid by City, State revenue sharing received by City, PWD charges paid by City, and more
- This budget challenge will likely repeat itself in FY20 and beyond

# FY17 – FY19 Tax Levy by Budget Category Comparison



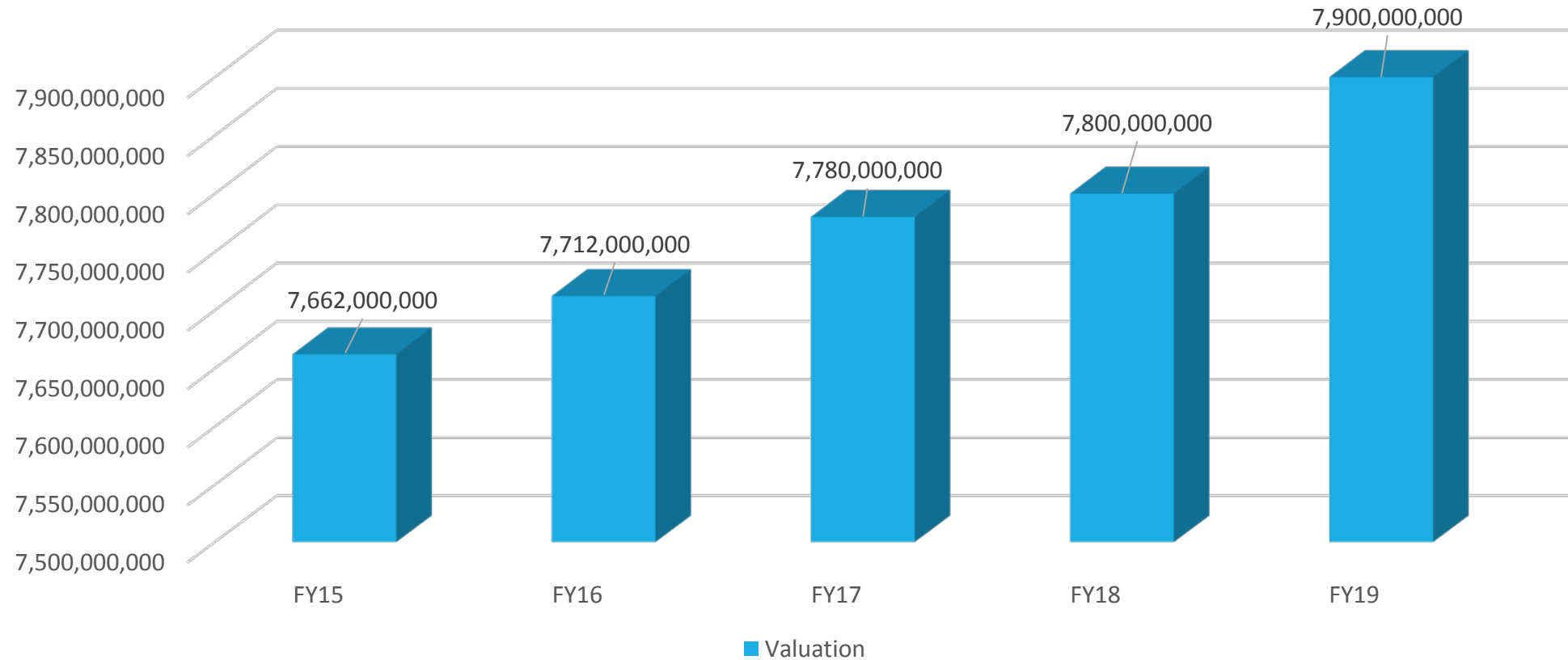
# FY19 Expenditures by Budget Category

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■ Wages ■ Contractual Services ■ Maintenance & Repairs ■ Supplies ■ Debt Service

# 5 Year History of Valuation Increases



# FY19 Overview by Department

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- **City Council (100-1100)**
  - Overall \$10k increase in expenditures, up 3.0% from FY18
  - 10 FTE, No Staffing Changes from FY18
  - City Council Travel/Training held at FY18 level

# FY19 Overview by Department

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- **City Clerk (100-1200)**

- Overall \$19k decrease in expenditures, down -3.4% from FY18
- 0.1 – Hours Increase for Vital Records Clerk
- Decrease related to the new voting booths which were included in the FY18 budget (not included in the FY19 budget)

# FY19 Overview by Department

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- **City Manager / Executive (100-1300)**
  - Overall \$10k increase, up 1.5% from FY18
  - Deputy City Manager + Chief Policy Adviser positions eliminated
  - Replaced with two Assistant City Manager positions
  - Includes \$10k for Sustainability Outreach
- FY18 and FY19 figures above do not include Office of Economic Opportunity which has moved into Economic Development. Inclusive of this change overall budget is down \$194k (-16.9%)

# FY19 Overview by Department

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- **Assessors (100-1400)**

- Decrease in expenditures of \$75k, down 15.7% from FY18
- No Net FTE Change (5.9FTE)
- Revaluation Process Underway – \$1.055M appropriation of Unassigned Fund Balance on Council agenda for 4/18/18
- Expenses moved OUT of FY19 budget include the overall revaluation, assessment card updates, communications plan, pictometry phase 2 of 3, and revamped of public access webpage
  - If included in FY19 budget instead of being funded with unassigned fund balance the FY19 tax rate increase jumps from 2.6% to 3.8%



# FY19 Overview by Department

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- **Finance (100-1500)**
- Overall expenditures increase of \$11k, 0.6% increase
- Two Divisions: Finance Admin and Treasury
- 25FTE (no increase from FY18)
- Transition to Tyler Technologies Software underway
- Key Revenue Increase: Excise Taxes up \$850k to \$12.05M

# FY19 Overview by Department

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- **Legal (100-1600)**

- Expenditures increase of \$88k (up 14.2% from FY18)
- FTE count increasing from 6.0 to 7.0
- Increase due to new FTE – Liability and Insurance Claims Manager (\$75k)

- **Human Resources (100-1700)**

- Expenditures increase of \$27k (up 2.7% from FY18)
- No FTE changes

# FY19 Overview by Department

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- **Parking (100-1800)**
- Expenditures increase of \$61k (up 2.7% from FY18)
- No FTE changes – 1 position reclassification
- Parking meter rate increasing from \$1.25/hour to \$1.50/hour
- Elm Street and Spring Street garages hourly rate increase from \$2.00/hour to \$3.00/hour
- Elm Street and Spring Street monthly rate increase from \$120/month to \$130/month

# FY19 Overview by Department

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- **Economic Development (100-1900)**
- Expenditures increase of \$143k (up 29.1% from FY18)
- Increase due to Office of Economic Opportunity Transferring from Executive Division
  - Director of Economic Opportunity (\$86k)
  - Program Assistants – 0.3 increase from FY19 (\$35k)

# FY19 Overview by Department

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- **Police Department (100-2100)**
- Expenditures decrease of 372k for FY19 (2.3%)
- Primarily related to contractually obligated salary increases
- Net FTE decrease of 6.0 FTE (all vacant positions)
- PD continuing to focus on recruitment

# FY19 Overview by Department

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- **Fire Department (100-2200)**
- Expenditures decrease of 51k for FY19 (0.3%)
- Net FTE decrease of 3.0 FTE (no layoffs as a result)
- Reduction in 1 FTE per shift in the Marine Division (existing staff will be shifted to other locations)

# FY19 Overview by Department

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- **Permitting & Inspections (100-2500)**
- Expenditures increase of \$115k (7.0%)
- No FTE changes within Department
- Continued microfiche conversion effort
- Investment in new short-term rental software (\$29k)
- Energov went live in FY18 (included in IT budget)

# FY19 Overview by Department

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- **Information Technology (100-2900)**
  - Expenditures increase of \$367k (up 15.6% from FY18)
  - Increase – New IT Director Overlap 0.3 FTE (\$40k)
  - Increase – Contractual Services – increasing by \$214k – Primarily related to annual maintenance and subscription costs under Tyler Technologies contract (new system) while running parallel with Superior/NaviLine (old system)



# FY19 Overview by Department

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- **Public Works (100-3100)**

- Expenditures decrease of \$485M (down 3.4% from FY18)
- Primarily related to utilities savings from LED Streetlight project (no more “maintenance fee” on our CMP bills plus lower energy consumption, estimated savings approx. \$900k)
- 2.0FTE increase, notable additions include an Operations Manager and Solid Waste Program Administrator

# FY19 Overview by Department

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- **Parks, Rec & Facilities (100-3300)**
  - Expenditures increase of \$1M (up 10% from FY18)  
(when combined with revenue increase from 100-33 and 100-35 there is a net decrease in City cost of approximately 4%)
  - Net increase in FTE of 0.8

# FY19 Overview by Department

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- **Public Buildings and Waterfront (100-3500)**
  - Expenditures decrease of \$238k (down 4.5% from FY18) (when combined with revenue increase from 100-33 and 100-35 there is a net decrease in City cost of approximately 4%)
  - Net increase in FTE of 4.0, primarily to keep up with waterfront growth over past several fiscal years
  - Project Manager position added (focus on Fire Department facilities) plus three waterfront related positions

# FY19 Overview by Department

## Health & Human Services

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- **HHS Admin (100-4001) – \$17k increase, 4.4%**
- **Public Health (100-4100) – \$697k decrease, 40.3%, but when including grant funded employees of \$835k the budget actually increased by \$135k (8.0%)**
  - New Research & Equity Position Added
- **Social Services (100-4200) - \$1.3M decrease, 11.5% but when including grant funded employees of \$1.35M the expenditures actually increased slightly**
  - New Day Shelter Operations – approximately \$500k increase

# FY19 Overview by Department Health & Human Services

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- **Barron Center (100-4700)**
- Expenditure decrease of \$1.3M (7.9%)
- Significant revenue decrease due to patient census drop
- FTE decrease of 19.4, all vacant positions
- Facility will staff up/down based on patient census, although recruiting CNA's continues to be a challenge

# FY19 Overview by Department

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- **Debt Service (100-4700)**
  - Expenditures increase of \$4.3M (11.4%) from FY18
  - Total debt service now up to \$41.3M (21.5% of total budget)
  - Increase related primarily to:
    - Pension Obligation Bond +\$872k
    - Hall School +\$2.1M (offset by \$1.9M in revenue from State)
    - LED Streetlights +\$442k (offset by \$800k+ in utilities savings)

# FY19 Overview by Department

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- **Library (100-4800)**

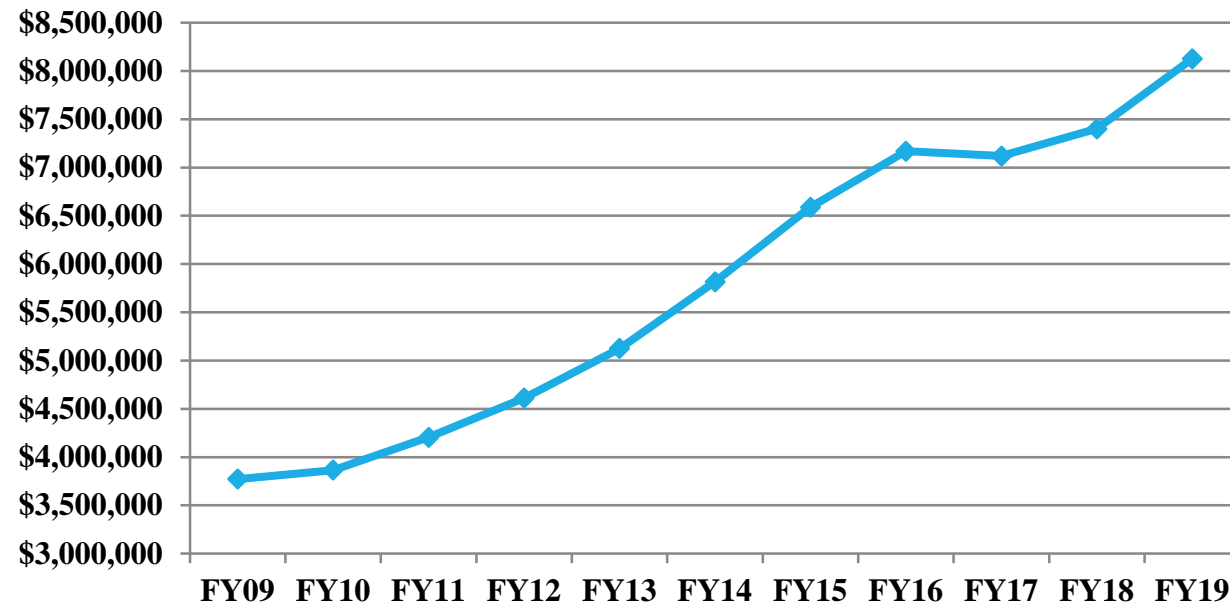
- Total City contribution of \$4.062M, increase of \$125k (3.2%)

# FY19 Overview by Department

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- **Pension (100-5100)**

- FY18 Budget of \$7.4M, increase of 725k (9.8%) from FY18





# FY19 Overview by Department

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- **Employee Benefits (100-5200)**
  - Expenditures up \$2.0M (9.6% increase from FY18)
  - Included in this budget is Health Insurance, Workers Comp, Group Life Insurance, Unemployment, and FICA
  - Budget increase is fully attributable to the rising cost of Health Insurance (\$2.05M increase from FY18)
  - Liability Insurance is separately budgeted in Department 100-6200 but there was no major change in that cost (\$7k decrease)

# FY19 Overview by Department

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- **Contingency (100-6100)**

- Total Budget of \$275k - no major change from FY18
- Legal Services - \$100k
- Emergency Issues - \$175k

- **Insurance (100-6200)**

- Budget down \$7k from FY18, generally flat

# FY19 Overview by Department

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- **County Tax (100-6300)**
  - FY18 Tax of \$5.907M
  - FY19 Tax of \$6.288M
  - Overall Increase of \$381k (6.5%) from FY18 Tax

# FY19 Overview by Department

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- **METRO (100-6500)**
  - FY19 City Contribution of \$2.7M
  - Increase of \$74k from FY18 (2.8%)

# FY19 Overview by Department

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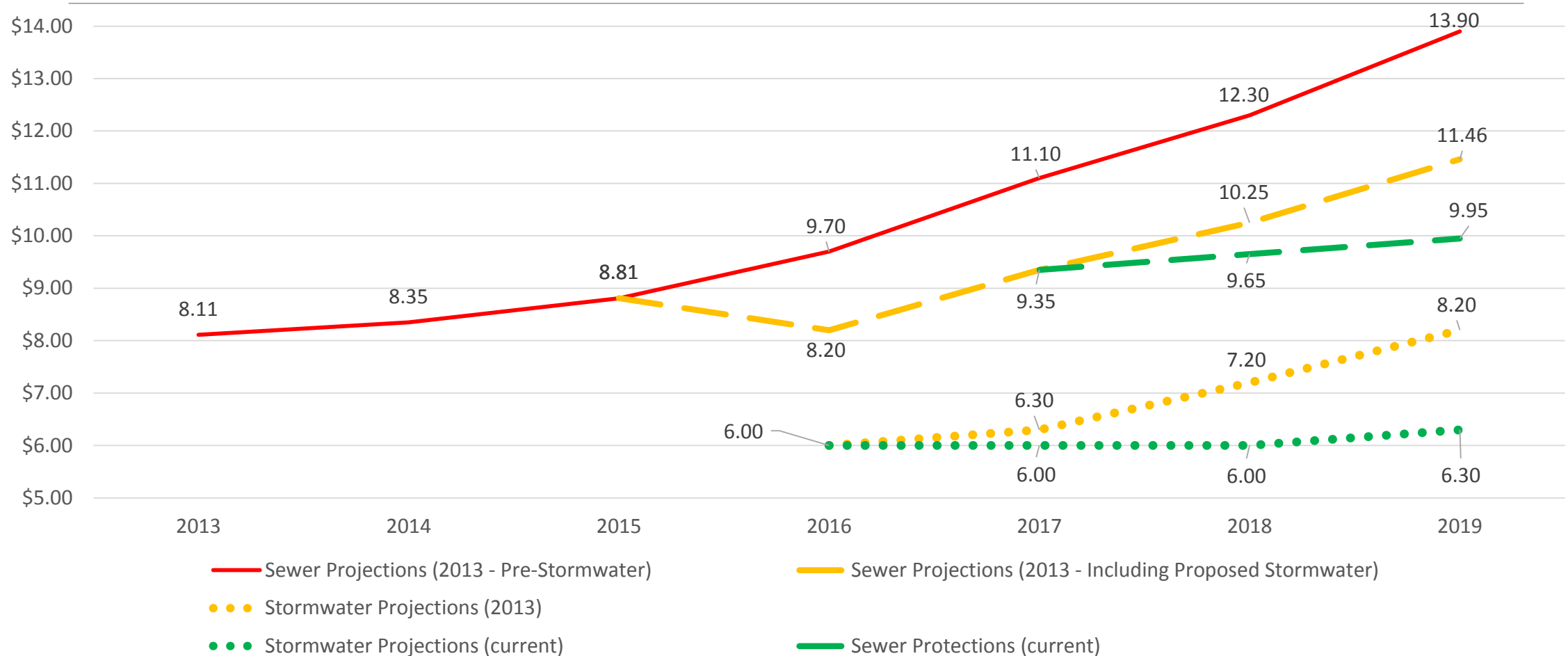
- **Memberships / Contributions**

- METRO (Division 02) Increase of \$74k (2.8%)
- RTP (Division 06) Flat Budget – No Increase/Decrease

- **Memberships Misc (Division 07) – Increase of \$2k to \$365k**

- Community Television \$100k
- Peaks Island Council \$40k
- Other Island Transportation \$5k
- Maine Municipal Association \$73k
- Harbor Commission \$43k
- Community Counseling TIP Program (Maine Behavioral Health) - \$10k
- GPCOG - \$69k
- Milestone Home Team - \$27k (they also received \$112.5k of CDBG funds and \$216k in HHS budget)

# Sewer and Stormwater Rate Increases FY13 through FY19 (Projected and Actual)



# FY19 Budget Amendment Requests from Councilors

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## **Amendment from Councilor Thibodeau to fully implement sustainability and pesticides initiatives**

- Add half-time Sustainability Associate with funding of \$22,259
- Add full-time position of Maintenance Worker II with funding of \$39,062
- Add Seasonal Athletic Facilities Maintenance Worker with funding of \$12,000
- Add \$10,000 in consulting fees, \$1,500 in the agricultural supplies, \$10,200 for an additional grass seed planter and \$14,225 for an additional top spreader

\$14,225 Total increase to FY19 expenditures of \$109,246

# FY19 Budget Amendment Requests from Councilors

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## **Amendment from Councilor Ray to fund City membership in the Greater Portland Council of Governments (GPCOG)**

- Add an additional \$38,060 to the Memberships / Contributions budget to fully fund the FY19 funding request from GPCOG of \$105,910.



# Looking Ahead

## FY20 Budget Challenges

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- Pension Obligation Bond Debt Service (\$925k increase)
- Additional \$5M of CIP Debt Service (est. \$300k increase)
- LED Streetlight Phase II Debt Service (est. \$450k increase)
- Contractual Salary expenditure increases
- Impact of Maine State Equalized Valuation increases

# FY20 Budget Challenges

## POB Debt Service by Budget Year (in Millions)

