

Town of Cumberland Municipal Budget Proposal FY 2015

by William R. Shane, Town Manager
by February 24, 2014





Budget Proposal FY 2015



Town Charter Requirements – Article V Budget

- Town Manager shall submit a budget prior to May 26th
- “The budget authority of the Council shall be limited to the final determination of the total appropriation to be made to each of the several offices, departments and agencies of the town.”

Budget Shall Include :

- a. Statement of Financial Condition of the Town
- b. Detail of Expenditures, past, current and proposed
- c. Proposed Capital Budget
- d. Itemized Revenues
- e. Debt Service Budget- Interest & Principal detailed
- f. Other information as required by Town Council



Budget Proposal FY 2015



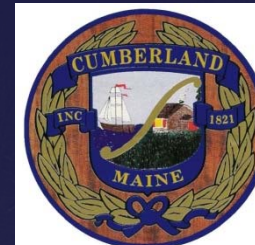
Proposed Budget - Overview

RKO, the Town Council 's Audit firm, will be meeting with the Finance Committee in March to review the following:

- We ended FY 13 with a Fund Balance of \$2.5 Million
- Nearly \$1 million was undesignated Fund Balance
- A property Tax Collection or Rate of near 99%
- Only one remaining Deficit Fund – Val Halla
- First time in 11 years did not need use our Tax Anticipation Note.
- Bond Rating upgraded by Standards & Poor's to AA+



Budget Proposal FY 2015



Proposed Budget - Overview

- Growth of Valuation \$23 Million = \$ 404, 800
- Non Property Tax Revenues dropped = \$33,021

	INCR	% INCR	% Incr over FY 14
A. Capital Improvements	\$200, 175	2.21%	17.66%
B. Debt Service- Garage	\$94,442	1.04%	11.45%
C. Operations	\$ 56,086	0.62%	0.87%
D. County	<u>\$ 30,398</u>	<u>0.34%</u>	4.57%
Totals	\$381,101	4.21%	



Budget Proposal FY 2015



A. Capital Improvements Overview

CAPITAL IMPROVEMENTS	FY 2014	FY 2015	Dollar	%
910	BUDGET	PROPOSED	Change	Change
Town Buildings Reserves	\$ 65,480	\$ 50,000	\$ (15,480)	-23.64%
Environmental Reserves	\$ 32,000	\$ 32,000	\$ -	0.00%
Equipment Reserves	\$ 387,500	\$ 364,500	\$ (23,000)	-5.94%
Road Paving	<u>\$ 648,713</u>	<u>\$ 887,368</u>	<u>\$ 238,655</u>	<u>36.79%</u>
Total Capital Improvements	\$ 1,133,693	\$ 1,333,868	\$ 200,175	17.66%



Budget Proposal FY 2015

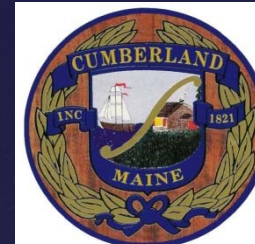


A. Capital Improvements- Road Paving

Account Explanation			Total
Gas Work will dictate Paving Summer 2014 - most likely will occur May 2015			
Paving FY 2014- Spring FY 2015 per Plan			\$ 587,368
CIP- Middle Road Engineering			\$ 75,000
Blackstrap Road - Engineering & Construction- Partial of \$500,000			\$ 175,000
Schooner Ridge Drainage- Part 1			<u>\$ 50,000</u>
TOWN OF CUMBERLAND FY 2015			\$ 887,368



Budget Proposal FY 2015



B. Debt Service – Town Garage

DEBT SERVICE	FY 2014	FY 2015	Difference	Difference
650	BUDGET	PROPOSED	Dollar	%
Bond Interest Expenses	\$ 235,868	\$ 332,047	\$ 96,179	40.78%
Bond Principal	\$ 514,117	\$ 527,380	\$ 13,263	2.58%
Lease Payments	\$ 34,840	\$ 34,840	\$ -	0.00%
TAN Interest	<u>\$ 40,000</u>	<u>\$ 25,000</u>	<u>\$(15,000)</u>	<u>-37.50%</u>
Total Debt Service	\$ 824,825	\$ 919,267	\$ 94,442	11.45%



Budget Proposal FY 2015



B. Debt Service – Town Garage

- 2002 40 Acre Doane Parcel purchased
- 2007 8 member Committee Appointed
- 2008 New Zone Created
- 2009 RFP & Bateman Partners Selected
- 2010 Council Agrees on Master Plan – Wait & See on Garage
- 2011 88% voters approve Drowne School Transfer to Town
- 2011 Zone Change for Senior Housing conversion
- 2013 38 Units of Senior Housing Built and 100% occupancy
- 2013 Town Council directs Manager to begin Garage Move
- 2014 March 28 of 58 units in Phase 1 built / underway



B. Debt Service – Town Garage





Budget Proposal FY 2015



B. Debt Service – Town Garage





Budget Proposal FY 2015



B. Debt Service – Town Garage





Budget Proposal FY 2015



B. Debt Service – Town Garage

Phase One – 58 New Homes- \$350,000 to \$600,000 – 25 Homes built/underway

Phase Three – Full – 38 Affordable Senior Housing Units

Phase Two – On Deck – 20-30 Town Houses & 10,000 SF of retail plus new Mini Park consisting of an outdoor Ice Pond, Outdoor Basketball Courts and Bathroom facilities – Estimated Value = \$ 20 - \$30 Million

Annual Tax Base = \$352,000 + Personal Property Tax + annual appreciation

Very Prelim. \$\$ to Move Town Garage at \$4 M = \$320,000 - 20 year debt service



Budget Proposal FY 2015



B. Debt Service – Town Garage

NEXT STEPS - FOR TOWN GARAGE RELOCATION

- Evaluate Land Options- preference toward Sewer & Water
- Hold Public Meetings on Land Options and Preliminary Costs
- Develop Budget and Advertise for Design Build of new facility
- Select Development Team
- Return to Town Council with Final Costs
- Hold Public Hearing for Bonding and authorization for PB Review
- Begin Construction Spring 2015
- Move into New Facility Summer 2016
- **Begin Phase Two of Village Green – Late Summer 2016**



Budget Proposal FY 2015



B. Debt Service – Town Garage

Bond Payment Schedule

Bond	Year	Orig. Amount	Principal As of 06/30/14	Principal Payments	Interest Payments	Total Payments
Town Office	1998	\$ 1,000,000	\$ 349,058	\$ 62,731	\$ 17,086	\$ 79,817
Fire Truck	1999	\$ 478,560	\$ 199,720	\$ 28,723	\$ 10,951	\$ 39,674
Fire Trucks+CTC	2002	\$ 1,000,000	\$ 505,000	\$ 55,000	\$ 24,620	\$ 79,620
Rines Property	2003	\$ 1,241,000	\$ 413,667	\$ 82,733	\$ 18,615	\$ 101,348
Stone Wharf	2003	\$ 600,000	\$ 350,000	\$ 30,000	\$ 15,885	\$ 45,885
Engines 1 and 4	2006	\$ 750,000	\$ 510,000	\$ 40,000	\$ 12,616	\$ 52,616
Computer System	2006	\$ 220,000	\$ 35,000	\$ 20,000	\$ 6,308	\$ 26,308
Valhalla Irrigation	2007	\$ 600,000	\$ 420,000	\$ 30,000	\$ 17,360	\$ 47,360
Route 88	2011	\$ 4,100,000	\$ 3,444,798	\$ 178,193	\$ 98,606	\$ 276,799
PW FACILITY					\$ 110,000	\$ 110,000
Total		\$ 9,989,560	\$ 6,227,243	\$ 527,380	\$ 332,047	\$ 859,427



Budget Proposal FY 2015



C. Town Operations - 0.87% Increase over FY 14

- Assistant Town Manager - Not Replaced – Funded from TIF
- Transferred Portion of Manager- Finance Director- Public Services Director Salary and Benefits to TIF
 - Town Manager 20%
 - Public Service Director 20%
 - Finance Director 5%
- 2% Salary Adjustments included in Budget Proposal
- Reduction in ECOMAINE Assessment \$110,000 Savings added Hazardous Waste & Special Waste Collection
- **Reduction in Insurance Budget \$87,533 transferred directly to Departments – Comparisons YTY (Year to Year) added to Summary Budgets of each Department where appropriate**



Budget Proposal FY 2015

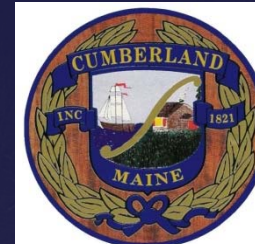


C. Town Operations - 0.87% Increase over FY 14

- Added 1 EMT Fire Fighter to help with limited Day Time Coverage of Volunteers
- Chief Charron built a new ACO program with Falmouth, Yarmouth and North Yarmouth all sharing equally – savings of \$11,868
- Filled positions in Recreation
- Reduced Library Staff from a shared FTE to PT no benefits
- Filled vacancies in Highway and Parks with shared employees – netting one reduction in total FTE
- Added **Contracted Snow** Plow Route to replace FTE at Highway



Budget Proposal FY 2015



D. County Assessment- Based on State Valuation

County Tax		FY 2014	FY 2015		
890		BUDGET	PROPOSED	Difference	%
		\$665,675	\$ 696,073	\$ 30,398	4.57%

How Additional Funds for Education are assessed:

FY 2015 Budget	FY 2014 State Values		
Cumberland	\$1,056,700,000	70.91%	-1.09%
North Yarmouth	\$433,400,000	29.09%	-0.74%
	<u>\$1,490,100,000</u>		



Budget Proposal FY 2015

Preliminary Tax Rate Impact



Municipal Expense Increase Total	\$ 381,101
Tax Base Growth FY 15 vs FY 14	<u>\$ 404, 800</u>
	\$ 23,699 +

Every \$100,000 in expenses will add .10 to Tax Rate

- Town Increase will add 1.07 % to Current Mil Rate of **\$17.00 or \$00.18** and the County will **add \$.02**
- The School Numbers **will not be ready until April**, if they are near 5% - expect an additional \$.40 to mil rate or a total percent increase of about 3.5% = \$17.60
- 3.5% Tax increase represents \$60 per \$100,000 of Value



Budget Proposal FY 2015

Next Steps



- Budget Workshop 2/24/14 – after Council Meeting
- **Budget Workshop 3/10/14 – after Council Meeting**
 - a. Wage Adjustments – MMA Wage Comparisons
 - b. Capital Budget
 - c. Operations
- Budget All Day Work Shop Saturday, March 15, 2014
- March 24, 2014 Public Hearing or Budget Workshop after Council Meeting
- April 14, 2014 – Budget Public Hearing