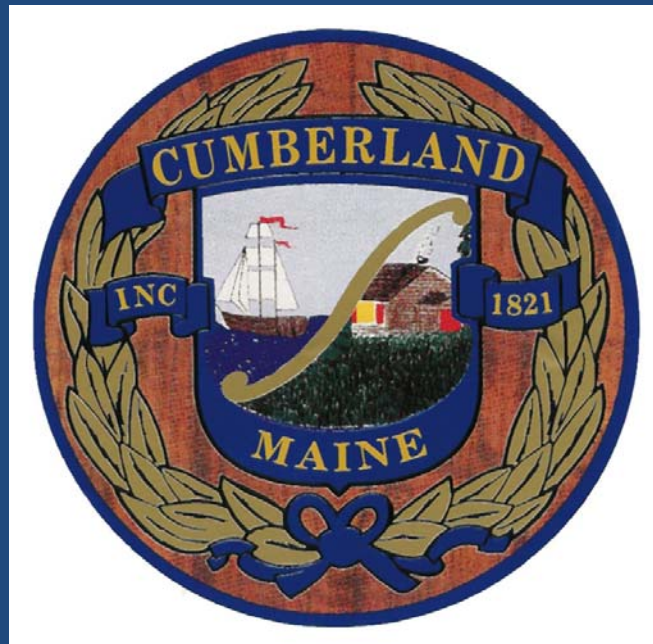


# Town Of Cumberland

## Proposed Municipal Budget

### FY 2013



February 27, 2012

# Manager's Budget Overview 2013

Components of this Year's Budget:

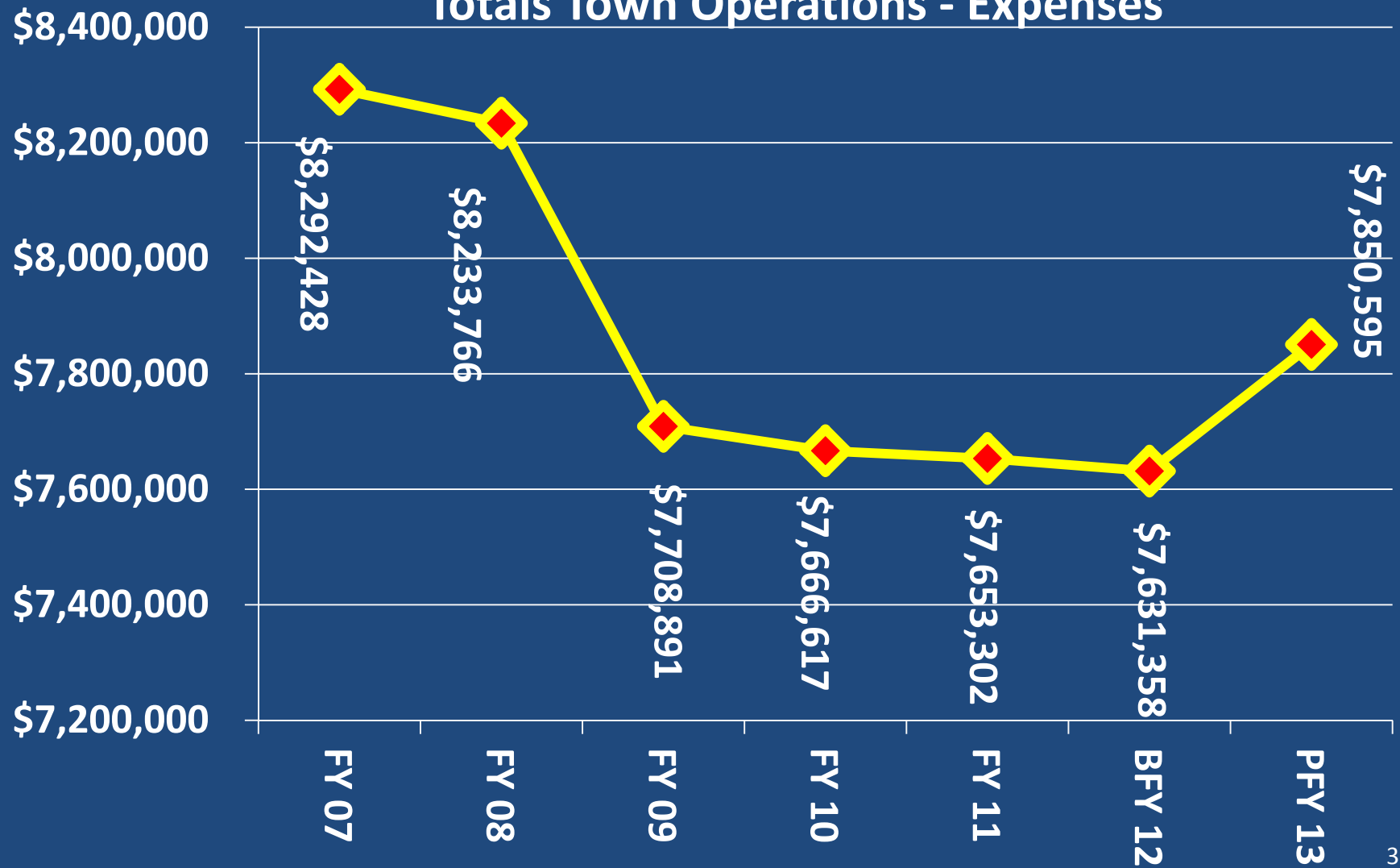
Expenses

Revenues

Capital Program

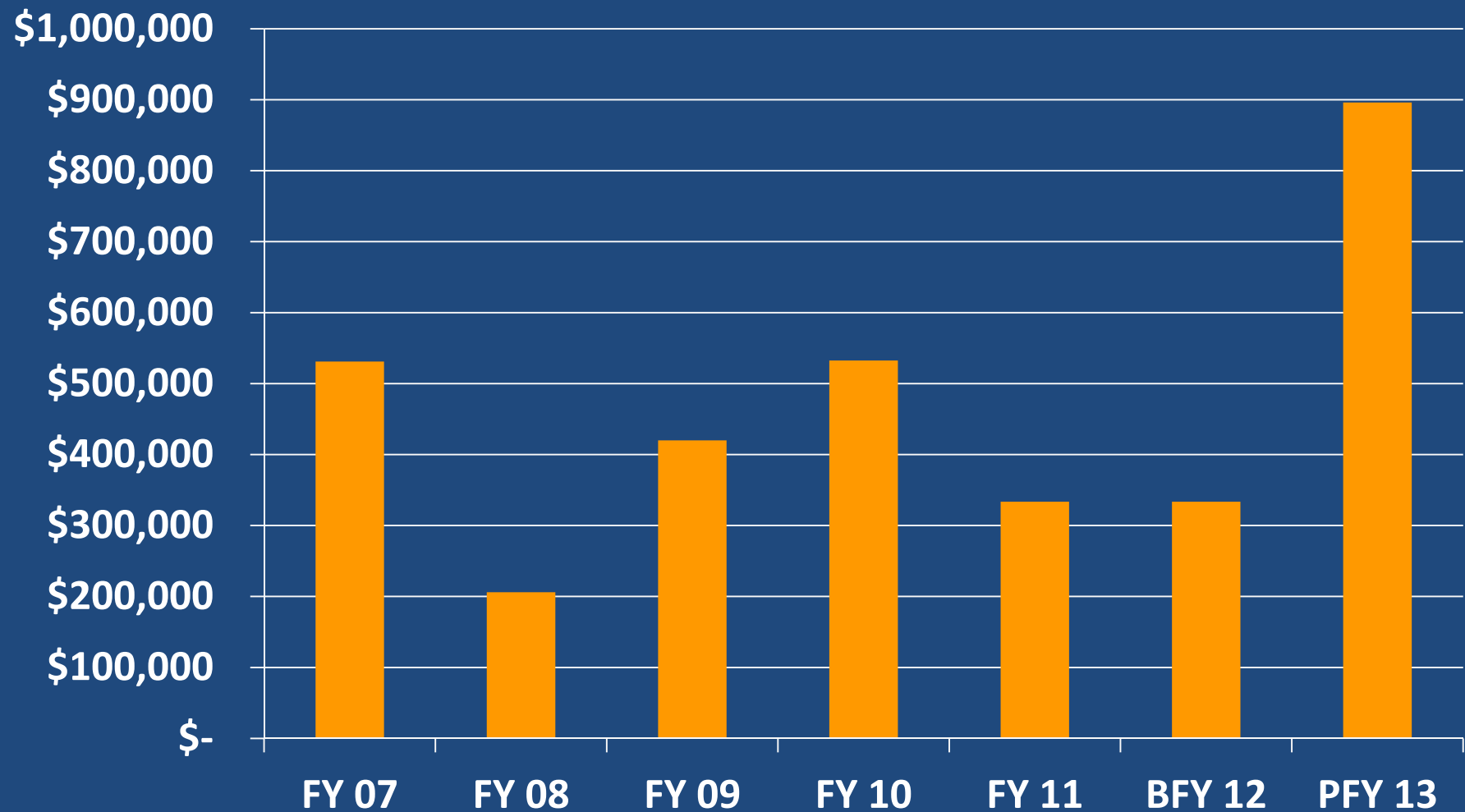
# Manager's Budget Overview 2013

## Totals Town Operations - Expenses



# Manager's Budget Overview 2013

## Capital Improvements Program



# Manager's Budget Overview 2013

Components of this Year's Budget:

**Expenses: Up 2.79 % or \$ 219,236**

- Recreation Up \$109K offset by \$134k in new Revenues
- \$36K added for Fuel Contingency
- \$10k increase in Abatements
- \$22k increase in County Taxes
- \$20k transfer from VH to PW for Winter Plowing (2)

# Manager's Budget Overview 2013

Components of this Year's Budget Continued:

Revenues: Up 2.39 % or \$ 72,333

<b>Taxes</b>	<b>\$ 4,554</b>	<b>Fire</b>	<b>\$ (15,000)</b>
<b>Licenses</b>	<b>\$ (1,850)</b>	<b>EMS</b>	<b>\$ -</b>
<b>Gov</b>	<b>\$ 3,000</b>	<b>Pub Wrks</b>	<b>\$ (10,000)</b>
<b>Services</b>	<b>\$ 2,000</b>	<b>Recreation</b>	<b>\$133,596</b>
<b>Other</b>	<b>\$ (58,300)</b>	<b>Library</b>	<b>\$ (3,167)</b>
<b>Police</b>	<b>\$ 2,500</b>	<b>Fields</b>	<b>\$ 15,000</b>
		<b>NET GAIN</b>	<b>72,333</b>

# Manager's Budget Overview 2013

Components of this Year's Budget Continued:

Revenues: Up 2.39 % or \$ 72,333 – Biggest Losers

REVENUE REDUCTIONS IN FY 2013	
Interest on Investments	\$45,000
Sale of Assets	\$25,000
Trash Bags	\$10,000
N. Yar. Rec Fees	\$19,535
N. Yar Library fees	\$3,167
Misc. Fire Revenues	\$15,000
	<b>\$117,702</b>

# Manager's Budget Overview 2013

## Capital Stewardship

- The difficult transition from Secession, Recession, and Depression II, since 2007, has had a serious impact on the Town's entire operations, but in particular has left a crater like void in funding for Capital Improvements.
- A neighboring community recently changed their Capital Improvement Program to a Capital Stewardship Plan. Stewardship certainly is a better description of our responsibility to insure that our infrastructure, parks, buildings, and equipment are left in a good condition for our residents and the Town Councils of the future.
- The choices in the past were few, due to a 15% (\$220,000,000) loss of property values overnight. Our present property tax base has now stabilized. I project we will realize a \$20M to \$30M for the next several years.

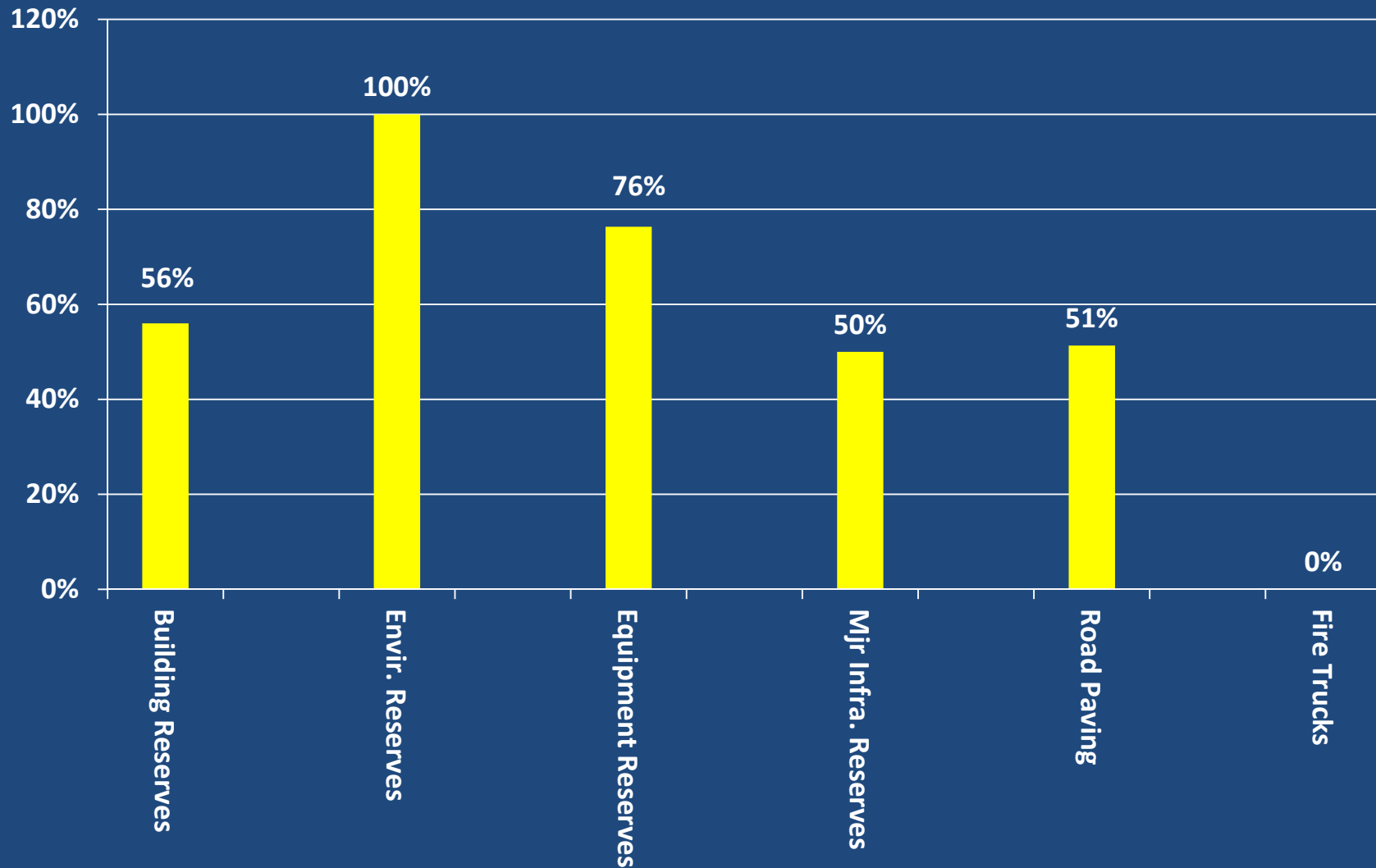


# Manager's Budget Overview 2013

Capital Program	2012	% TO	2013	EST	% TO
	BUDGET	GOAL	PROPOSED	GOAL	GOAL
Building Reserves	\$ 50,000	40.00%	\$ 70,000	\$ 125,000	56.00%
Environmental Reserves	\$ 32,000	100.00%	\$ 32,000	\$ 32,000	100.00%
Equipment Reserves	\$ 161,500	35.89%	\$ 343,500	\$ 450,000	76.33%
Major Infrastructure	\$ -	0.00%	\$ 50,000	\$ 100,000	50.00%
Road Paving	\$ 89,985	11.25%	\$ 410,637	\$ 800,000	51.33%
Fire Trucks		0.00%	\$ -	\$ 248,230	0.00%
<b>TOTAL CAPITAL IMPROVEMENTS</b>	<b>\$ 333,485</b>	<b>19.00%</b>	<b>\$ 906,137</b>	<b>\$ 1,755,230</b>	<b>51.62%</b>

# Manager's Budget Overview 2013

**% TO GOAL FY 2013**



# Manager's Budget Overview 2013

## Building Reserves – 56% of Goal

2011	2012	% TO	2013	EST	% TO
ACTUALS	BUDGET	GOAL	PROPOSED	GOAL	GOAL
\$ 42,500	\$ 50,000	40.00%	\$ 70,000	\$ 125,000	56.00%

Account Explanation	# of Units	Unit Price	Total
Heating at W. Cumberland	1	\$ 25,000	\$ 25,000
Voting Machines	1	\$ 15,000	\$ 15,000
Building Repairs	1	\$ 30,000	\$ 30,000
Playground Funding	1	\$ 25,000	Deferred
Heating Plant -Fire	1	\$ 20,000	Deferred
Heating Plant -Library	1	\$ 20,000	Energy Audit
			\$ -
	TOTAL COST		\$ 70,000

# Manager's Budget Overview 2013

## Environmental Reserves – 100% of Goal

- Monitoring, education and a lot of what we always have done are required to be documented and submitted to the DEP annually. Twenty communities partnered in developing educational programming to assist all of us in this federal mandate.
- This spring we will be stenciling 125 catchbasins along Rt. 88 with the High School environmental class to educate the public not to dispose of oil or toxins into the stormdrains as they directly discharge to Casco Bay.



# Manager's Budget Overview 2013

## Equipment Reserves – 76% of Funding Goal

Account Explanation		# of Units	Unit Price	Total
Emergency Antenna Upgrade	EMS	1	\$ 60,000	\$ 60,000
Police Cruiser and SUV	Police	2	\$ 26,000	\$ 52,000
Mower	Parks	1	\$ 60,000	\$ 60,000
Plow Truck	Highway	Deferred	\$160,000	\$ -
1 Ton Pick-up Replacement	Highway	1	\$ 35,000	\$ 35,000
Highway miscellaneous winter equipment	Highway	1	\$ 40,000	\$ 40,000
Misc. Equipment Replacement	Fire	1	\$ 25,000	\$ 25,000
Fire/ EMS	Fire	1	\$ 46,500	\$ 46,500
Police Equipment	Police	1	\$ 15,000	\$ 15,000
FY 2014 Ambulance Replacement	Fire	Deferred	\$200,000	\$ -
				\$ -
TOTAL COST				\$ 333,500

# Manager's Budget Overview 2013

## Equipment Reserves – 76% of Funding Goal



**2008 Ford Expedition 150,000 miles**



**2005 Ford Explorer 77,000 miles**

**Last year no vehicles were replaced. We expect to replace both SUV's with a similar style to the Explorer for \$26,000 each . Better gas mileage then the Crown Victorias and maintenance has been better.**

# Manager's Budget Overview 2013



**John Deere Mower 1600  
2002  
Wide Area Mower**

- **Condition: Poor**
- **Last Hours: 1760.8**

**Maintenance cost last 5 years approximately  
\$6,336.66- \$60,000 replacement Cost**



**Truck # 9 – 1996 Plow Truck  
Deferred Replacement  
\$ 160,000 Replacement Cost**



# Manager's Budget Overview 2013



**Truck #9 Above - New Body needed plus repairs to sander apparatus and most of truck.**



# Manager's Budget Overview 2013



**\$ 50,000 Band-Aid for plow replacement parts, steel and welding of 3 plow trucks needing replacement within 5 years :**

**Truck #2 1996 – At replacement = 19 years**

**Truck # 9 1995 - At replacement = 19 years**

**Truck #15 1999 - At replacement = 17 years**

# Manager's Budget Overview 2013

## Major Infrastructure – 50% of Funding Goal

This category will allow for the Highway crew to replace culverts, improve shoulders, and clean ditches in preparation of the upcoming road-paving schedule. This will ultimately reduce our road repair costs. This fund could also be used for the larger and deeper culvert replacements, which will need to be contracted. A great example is the Val Halla Road culverts both 25 beneath the roadway and replaced this fall by a private contractor for \$72,000.



**Blanchard Road  
Culvert Lining 2001  
by Highway  
Department**

# Manager's Budget Overview 2013

## **Road Paving – 51% of Funding Goal**

Paving and road construction are the two most pressing Capital Stewardship issues we face annually. At your December Town Council meeting, Chris Bolduc, our Public Services Director, presented a comprehensive program. The plan will require a funding commitment of over \$400,000 in FY 13; \$620,000 in FY 14; and \$800,000 in FY 15 and thereafter.

While this year is the transition year where we will attempt to triage roads such as Middle Road and Greely, until adequate funding is available to repair. Both roads would be candidates for future road bonds because of the extensive base and drainage improvement that may be needed.

The full paving plan is attached as an appendix to this report.

# Manager's Budget Overview 2013

## Road Paving – 51% of Funding Goal

Account Explanation		Unit Price	Total
Friar Lane - Recon	0.62	\$246,621	\$246,621
Greely Road	3.18	\$127,836	\$127,836
Middle Road	0.90	\$36,180	\$36,180
Misc. Road Repairs	0.00	\$50,000	\$50,000
<b>Total Treatment Miles</b>	<b>4.70</b>		\$0
Total Town Roads - 51.20 Miles	9.18%		\$0
Total State Roads - 21.70 Miles	9.22%		\$0
Possibly Rt 9 - 2 miles +/-			\$0
			\$0
			<b>\$460,637</b>



# Manager's Budget Overview 2013

## Road Paving – 51% of Funding Goal

	2013	2014	2015
	PROPOSED	PROPOSED	PROPOSED
Road Paving	\$ 460,637	\$ 620,000	\$ 800,000

The full paving plan is attached as an appendix to this report. The entire report will be on the website and part of the budget documents.

# Manager's Budget Overview 2013

## Road Paving – 51% of Funding Goal



Reclamation of asphalt pavement by grinding the pavement into small pieces in place and mixing with the existing gravel will form a stronger future base. This eliminates removal of excessively cracked pavement and adds a supplemental gravel/pavement base layer prior to new pavement. We will be using a cement stabilizer as well for additional strength. (\$ 45,000 per mile @ \$3 SY)

# Manager's Budget Overview 2013

## Road Paving – 51% of Funding Goal



This is the first layer of pavement also known as the binder or base pavement. This layer is typically 2.5" thick and comprises 63% of the total pavement thickness (4"). (\$196,000 per mile) We typically have waited 1 year to overlay the binder with surface pavement layer of 1.5" to allow for any defects in the road to appear during or just after the frost/ defrost cycle of the base. This allows us to repair any defects prior to the final paving. (\$ 117,660 per mile @ \$85/ton)

# Manager's Budget Overview 2013

## Fire Trucks- 0% currently in Bond Schedule

To pull all Fire Trucks out of the Bond Schedule and into Reserve Account we would need to budget nearly \$248,230 per year over the next 6-13 years. After we have “caught-up” with the replacement schedule we could look to fund \$140,000 per year versus \$224,000 per year to bond. I anticipate the funding plan to be considered as part of the FY 2014 budget not the FY 2013.

Bonded Fire Trucks	Per Year
Engine 101 - 2006	\$ 30,769
Engine 102 - 2007	\$ 28,571
Engine 105 - 2002	\$ 44,444
Ladder 107 - 2000	\$ 100,000
Rescue 103 - 2002	\$ 44,444
	\$ 248,230

**\$140,000 per year versus \$224,000 for Bonding. \$2.8 M in Fire Trucks**

**\$140,000 per year goal will begin once a truck is replaced if this funding strategy is accepted.**



# Manager's Budget Overview 2013

## Budget Goals for FY 2013 – January 9, 2012 Council Workshop

**1. Remain budget neutral between 2011 and 2012. (operating budget- revenues = no increase)**

	Actual FY 11	Budget FY 12	Proposed FY 13	Proposed Change \$	% Change
Town Operations	\$7,653,302	\$7,631,358	\$7,850,595	\$ 219,236	2.79%

	2011 Budget	2011 Actual	2012 Budget	2013 Proposed	\$\$\$ CHANGE	% CHANGE
Revenues	\$3,602,533	\$3,640,026	\$3,571,916	\$3,645,949	\$74,033	2.07%

\$ 219,236 \$ <u>74,033</u> \$ 145,203 Net Increase
---

# Manager's Budget Overview 2013

## Budget Goals for FY 2013 – January 9, 2012 Council Workshop

1. **Remain budget neutral between 2011 and 2012. (operating budget- revenues = no increase)**

\$ 219,236
\$ <u>74,033</u>
\$ 145,203 Net Increase

Interest on Investments	\$45,000
Sale of Assets	\$25,000
Trash Bags	\$10,000
N. Yar. Rec Fees	\$19,535
N. Yar Library fees	\$3,167
Misc. Fire Revenues	<u>\$15,000</u>
	\$117,702

Reduction in revenue line items FY 2013 to FY 2012 to more accurately reflect actuals.

# Manager's Budget Overview 2013

## Budget Goals for FY 2013 – January 9, 2012 Council Workshop

### **2. Enact LD ~~281~~ 489 for eligible Cumberland senior citizens that apply for property tax deferrals.**

#### **Quick Overview of LD 489 :**

The legislative body of a municipality may by ordinance adopt a property tax deferral program for senior citizens, referred to in this section as "the program." Upon application by a taxpayer, a municipality may defer property taxes on property if the following conditions are met:

- A. The property is an eligible homestead where the taxpayer has resided for at least 10 years prior to application;
- B. The taxpayer is an owner of the eligible homestead, is at least 70 years of age on April 1st of the first year of eligibility and occupies the eligible homestead; and
- C. The household income of the taxpayer does not exceed 300% of the federal poverty level.

# Manager's Budget Overview 2013

## Budget Goals for FY 2013 – January 9, 2012 Council Workshop

### **3. Consider other options for Public Works services, such as snow plowing and lawn maintenance of town properties through RFP process and competitive negotiations.**

While this goal is consistent with future plans of the Administration, the plan will be implemented through attrition of the workforce over the next five to seven years. As equipment operators retire, snowplow routes will be subcontracted and more road services contracted. This policy and plan has been supported by previous Town Council and is reviewed annually during the budget process.

Additional capital purchase of at least two plow trucks (\$160,000 each) will be necessary to maintain the current level of service. The plow trucks original life expectancy was 12 years and has been extended to 15 years due to unavailable funding.

# Manager's Budget Overview 2013

## Budget Goals for FY 2013 – January 9, 2012 Council Workshop

### **4. Continue to review potential regionalization options.**

This is a goal that never leaves the list and has been tasked to the Manager for the past 9 years. In 2003, we had 64 employees, today the number is 49. We have strived to consolidate and share employees and services with area towns to maintain our current level of service. Our current agreements include:

1. Cumberland County Dispatch Center
2. Code Enforcement with Yarmouth
3. Library & Recreation services with North Yarmouth
4. Assessing Services with the Town of Yarmouth
5. Harbormaster& Animal Control Services with Falmouth
6. Inter-local Stormwater Management with 16 communities
7. Mutual aid agreements with local Fire-EMS and Police Departments
8. Equipment Sharing with area Towns
9. Gas Main expansion opportunities with Falmouth & Yarmouth
10. Ecomaine- 15 communities – Recycling and Waste disposal facility
11. PACTS – transportation planning and infrastructure management of State roads
12. Chamber of Commerce- Greater Portland and Falmouth- Cumberland

# Manager's Budget Overview 2013

## Budget Goals for FY 2013 – January 9, 2012 Council Workshop

### **5. Consider developing a policy that ensures a set percent (percentage) of our annual budget be for capital future expenditures.**

The Capital Stewardship 5 year plan hopes to accomplish and reach this goal. I expect we will be able to fully fund the depreciation on capital assets with 10 years if we can stick to the plan.

# Manager's Budget Overview 2013

## Budget Goals for FY 2013 – January 9, 2012 Council Workshop

### **6. Strive for the lowest mil rate compared to the neighboring communities of Yarmouth, Freeport, Cape Elizabeth, and Falmouth**

State Equalized Valuations:

Municipality Name	2008 Population	2009 Tax Assesment		2011 State Val	Mil Rate	Taxes / Person
FALMOUTH	11,021	\$ 25,608,277	#	\$ 2,131,400,000	\$ 12.01	\$ 2,324
FREEPORT	8,270	\$ 18,798,786	#	\$ 1,526,300,000	\$ 12.32	\$ 2,273
NO YARMOUTH	3,637	\$ 5,566,299	#	\$ 451,550,000	\$ 12.33	\$ 1,530
CAPE ELIZABETH	8,984	\$ 23,412,446	#	\$ 1,789,750,000	\$ 13.08	\$ 2,606
CUMBERLAND	7,586	\$ 15,759,205	#	\$ 1,084,700,000	\$ 14.53	\$ 2,077
YARMOUTH	8,038	\$ 24,997,456	#	\$ 1,567,950,000	\$ 15.94	\$ 3,110

# Manager's Budget Overview 2013

## Budget Goals for FY 2013 – January 9, 2012 Council Workshop

### **6. Strive for the lowest mil rate compared to the neighboring communities of Yarmouth, Freeport, Cape Elizabeth, and Falmouth**

With the absence of any real commercial tax base, we have been overly burdened by a 97% + residential property tax burden while our neighboring communities have enjoyed the benefit of a commercial tax base and a substantial amount of additional real estate. Ironically, when you look at the Taxes per person column we are the least (except for North Yarmouth) of our neighboring comparison communities. We currently have 30% - 50% less valuation than our comparison neighbors.

To achieve the goal we would need about \$179 million in property valuation growth (6 CMP Raven Farm sub stations or 60 new SEAFAX like businesses) or budgets cuts of \$2.2 Million dollars or some combination of the two.



# Manager's Budget Overview 2013

## Budget Goals for FY 2013 – January 9, 2012 Council Workshop

### **6. Strive for the lowest mil rate compared to the neighboring communities of Yarmouth, Freeport, Cape Elizabeth, and Falmouth**

#### **Impact of Commercial Value in Tax Base:**

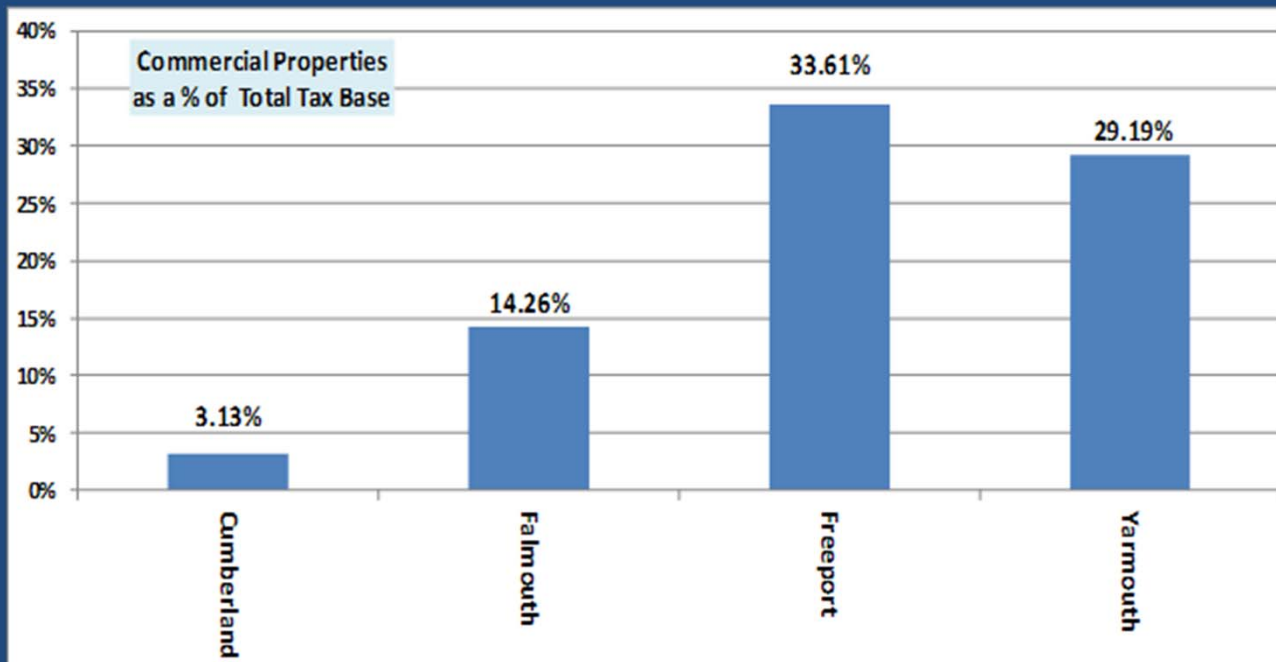
		<b>Total Valuation 2010</b>	<b>% Commercial</b>	<b>\$ Commercial</b>
<b>7,404</b>	<b>CUMBERLAND</b>	<b>\$1,131,350,000</b>	<b>3%</b>	<b>\$33,940,500</b>
<b>10,996</b>	<b>FALMOUTH</b>	<b>\$2,171,450,000</b>	<b>14%</b>	<b>\$304,003,000</b>
<b>8,051</b>	<b>FREEPORT</b>	<b>\$1,554,400,000</b>	<b>33%</b>	<b>\$512,952,000</b>
<b>8,129</b>	<b>YARMOUTH</b>	<b>\$1,634,600,000</b>	<b>28%</b>	<b>\$457,688,000</b>

# Manager's Budget Overview 2013

## Budget Goals for FY 2013 – January 9, 2012 Council Workshop

### **6. Strive for the lowest mil rate compared to the neighboring communities of Yarmouth, Freeport, Cape Elizabeth, and Falmouth**

The Average of Freeport, Falmouth and Yarmouth is nearly \$425,000,000 or more than 9 X greater than Cumberland's total commercial value. This gap will shrink somewhat with a \$30M substation and additional business growth over the next few years on Route One and we may achieve only being 8X less commercial growth, but the gap is huge and will remain that way for the foreseeable future.

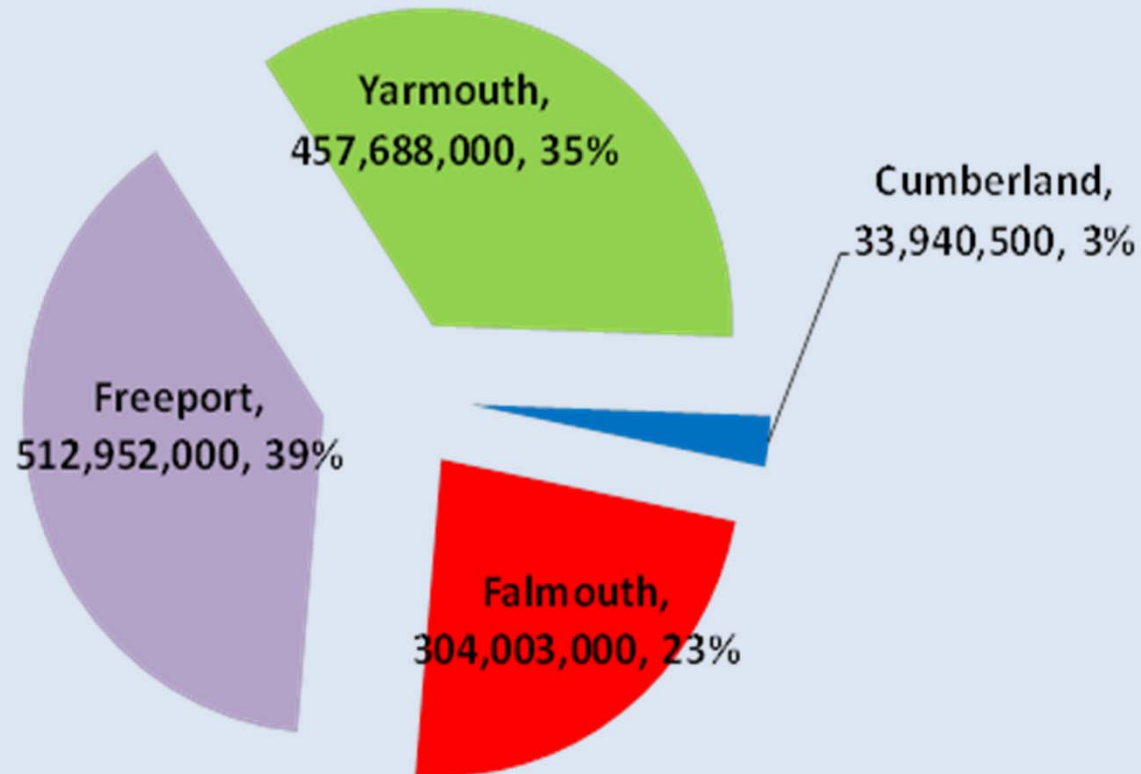


# Manager's Budget Overview 2013

## Budget Goals for FY 2013 – January 9, 2012 Council Workshop

**6. Strive for the lowest mil rate compared to the neighboring communities of Yarmouth, Freeport, Cape Elizabeth, and Falmouth**

### Regional Commercial Property



# Manager's Budget Overview 2013

## Budget Goals for FY 2013 – January 9, 2012 Council Workshop

### **7. Review in detail budget needs for all of our commissions and committees.**

Commission budgets and estimated project expenses for FY 2013 have been incorporated into this budget.

Added this year:

Cemetery Data Base and online records:	\$4,200
Conservation Commission- Forest & Invasives Educ.	\$2,500
Shellfish Commission- Testing & Outreach	\$2,000

# Manager's Budget Overview 2013

## Budget Goals for FY 2013 – January 9, 2012 Council Workshop

**8. Enhance Recreation Department revenues while creating a minimum of 5% expense reduction or a Tax Rate neutral impact (Revenues = Expenses).**

	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>
<b>RECREATION</b>	\$ 478,584	\$ 461,776	\$ 571,001
Revenues	<u>\$ 393,779</u>	<u>\$ 409,057</u>	<u>\$ 542,653</u>
Revenues- Expenses	\$ (84,805)	\$ (52,719)	\$ (28,348)

All new programs break even or add revenues. Each year we close the gap on breaking even and I anticipate that perhaps this year or next year the goal will be achieved.

**\$350,000 Home- Tax impact \$ 8.43 Annually**

# Manager's Budget Overview 2013

## Budget Goals for FY 2013 – January 9, 2012 Council Workshop

### **9. Work to create a mutual budgeting process between M.S.A.D. 51 and Town operations budgets.**

With two separate elected bodies, this is a difficult goal to measure. We have a solid working relationship with MSAD 51 and the Superintendent's Office and communicate on a regular basis. Lining up bonding schedules, projected future growth estimates and challenging upcoming issues on both sides could be discussed annually by the Finance Committees, or possibly developing a liaison group similar to the JSC.

I will follow-up with the Town Council Chairman to determine if this should be a topic for a future Council workshop to develop additional targeted strategies for sharing with the MSAD 51 Board on a regular basis.

# Manager's Budget Overview 2013

## Budget Goals for FY 2013 – January 9, 2012 Council Workshop

### **10. Review any adjustments that will result in North Yarmouth/Cumberland annual agreement for Library and Recreation Services.**

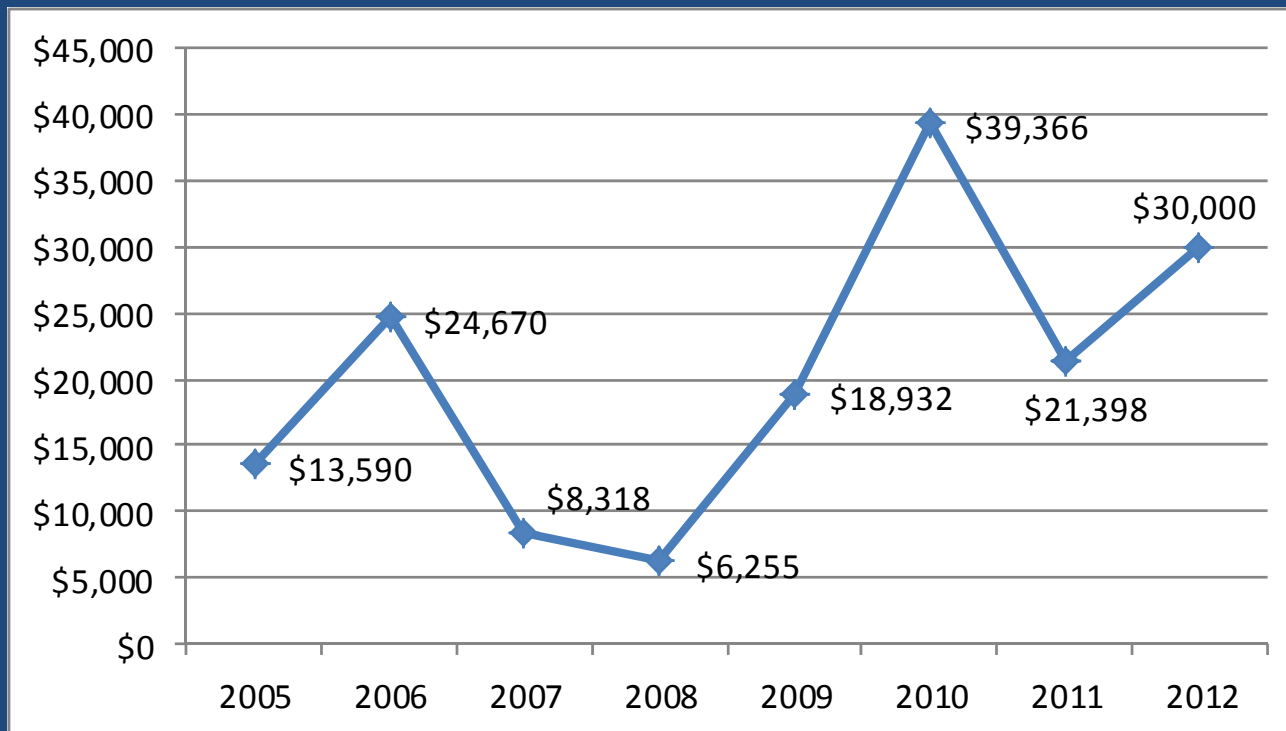
Goal met and will continue to be an annual goal. We had excellent Joint Standing Committee meetings this year and have set a great foundation for future meetings.

# Manager's Budget Overview 2013

## Budget Goals for FY 2013 – January 9, 2012 Council Workshop

### **11. Ensure that sufficient/adequate funding of expenses is considered for General Assistance, due to economic conditions.**

I believe we have met this goal. With additional heating funds of \$15,000 annually and between \$10,000 and \$20,000 of benevolent funds each year, we have managed to stay very close to the \$ 30,000 average demand over the past 3 years.





# Manager's Budget Overview 2013

## Budget Goals for FY 2013 – January 9, 2012 Council Workshop

- 12. Seek assistance from Friends of the Library or other community groups for fundraising of \$30,000 annually for the book collection.**

We will begin to explore opportunities with library and North Yarmouth this coming year to help fund the Collection and look develop and sustain an annual gift-giving program. With the significant demands on the community today from multiple non- profits the competition for funding and the ability for the community to absorb additional charitable donation will be a challenge.

# Manager's Budget Overview 2013

## Budget Goals for FY 2013 – January 9, 2012 Council Workshop

### **13. Explore the expansion of volunteers assisting in all area of Town government to help lower costs of services.**

I will reach out to Department Heads and Town Staff to brainstorm ideas for this goal. While it seems daunting, I believe there may be areas that volunteerism could help in lowering costs.

### **14. A 3% Cost of living adjustment for all non-union employees- Unions already at 3% for FY 2013**

This has been incorporated into the FY 2013 budget.

# Manager's Budget Overview 2013

## Community Impact:

Increase Operations	\$ 219,236
Increase Revenues	<u>\$ (72,333)</u>
	\$ 146,903
Increase Capital	<u>\$ 562,652</u>
Total Oper + Capital	\$ 709,555
Decrease In Overlay	<u>\$ (160,000)</u>
To Tax Rate	\$ 549,555

Increase in Value	\$ 30,000,000	\$15.80	<b>\$474,000</b>
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# Manager's Budget Overview 2013

## Community Impact:

Net to Tax Rate	\$	549,555	
	\$	<u>(474,000)</u>	
	\$	75,555	
	\$	0.07	or .5%

# Manager's Budget Overview 2013

## Community Impact:

**Projected Mil Rate Increase : 4.0% to 6.0%**

All dependent upon School's Final Budget vote in June.

Mil Rate will be set once the Town Council receives the Assessor's recommendation on August 13, 2012.

# Manager's Budget Overview 2013

## Council Budget Workshop

**Saturday March 17, 2012 8 AM until (1PM - 5PM)**

**Public is always welcome to Attend & Participate**

All FY 2013 Budget will be posted to the Website on  
Wednesday, February 29, 2012

**[www.cumberlandmaine.com](http://www.cumberlandmaine.com)**