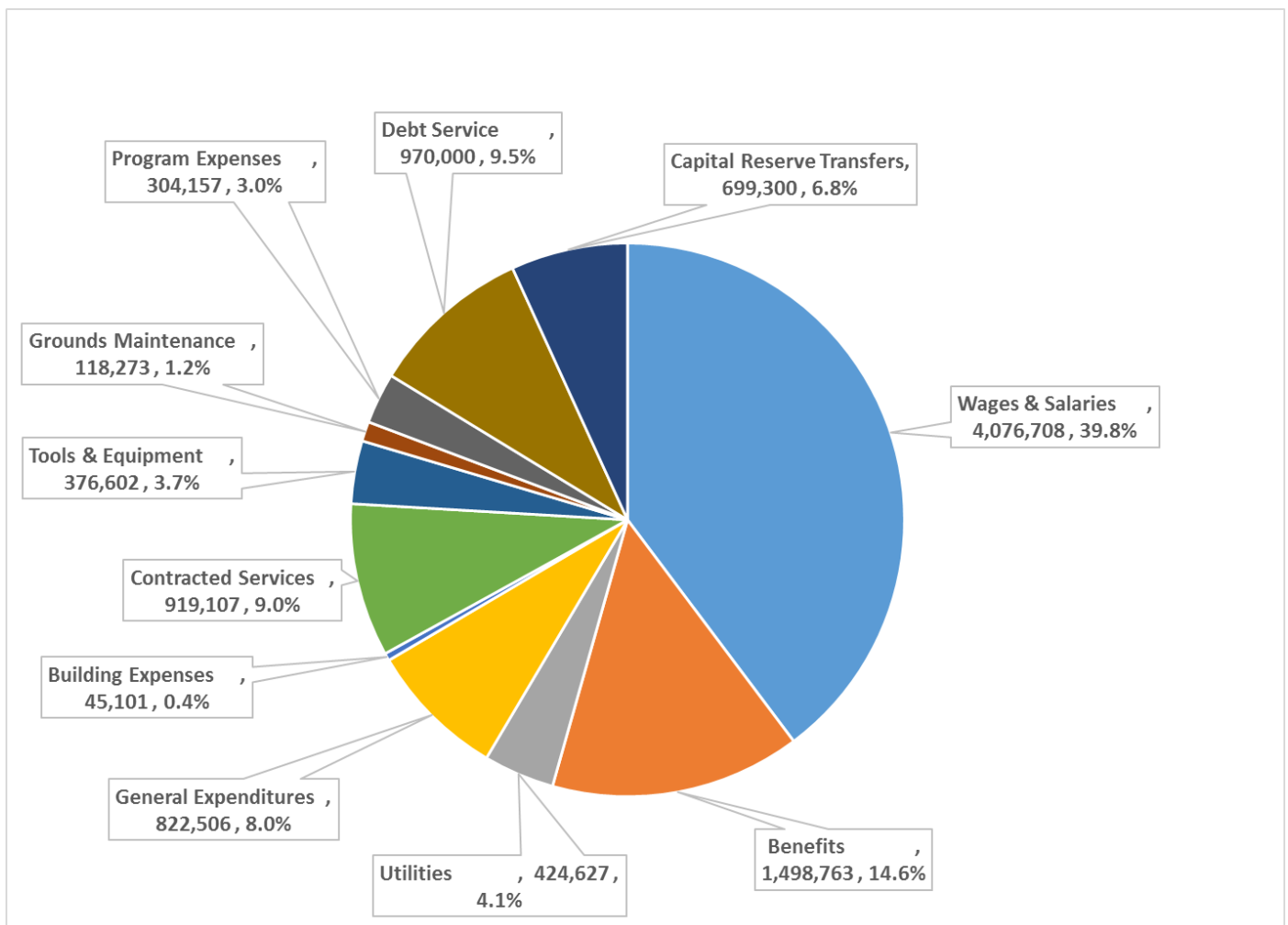


FY 2019 Budget Overview

Town Manager's Budget to the Finance Committee

February 12, 2018

The Budget for upcoming fiscal year 2019 (July 1, 2018 to June 30, 2019) has been structured in a slightly different format than past years. We continue to show historical spending trends, percentage changes, etc., but I wanted to focus on major categories of spending so that the Finance Committee and Town Council could better understand our biggest challenges.



The Major Categories of all Municipal Budgets

All expenses for all Town Department are included in the above categories. No surprise that salaries & benefits comprise the bulk of our spending with utilities being surprisingly low at only 4.1 %.

This year's budget represents a **spending increase of 3.69%** with a **revenue increase of 5.03%** yielding a net impact on the **Tax bill of \$.10** or a **.54% increase** in Town spending.

	2017	2018	2019	2019	2019	MGR MINUS Original	Incr	% Incr
	ACTUAL	ORIG BUD	Manager	Dept v2	Dept v1			
Wages & Salaries	\$ 3,879,265	\$ 3,841,321	\$ 4,076,708	\$ 4,195,916	\$ 4,231,786	\$ (155,078)	\$ 235,387	6.13%
Benefits	\$ 1,357,291	\$ 1,498,707	\$ 1,498,763	\$ 1,574,656	\$ 1,524,274	\$ (25,511)	\$ 56	0.00%
Utilities	\$ 404,290	\$ 412,587	\$ 424,627	\$ 449,627	\$ 449,612	\$ (24,985)	\$ 12,040	2.92%
General Expenditures	\$ 718,180	\$ 723,068	\$ 776,936	\$ 778,936	\$ 771,386	\$ 5,550	\$ 53,868	7.45%
Building Expenses	\$ 60,491	\$ 47,701	\$ 53,701	\$ 49,701	\$ 49,701	\$ 4,000	\$ 6,000	12.58%
Contracted Services	\$ 919,008	\$ 897,418	\$ 919,107	\$ 939,498	\$ 940,798	\$ (21,691)	\$ 21,689	2.42%
Tools & Equipment	\$ 421,742	\$ 370,743	\$ 413,572	\$ 393,772	\$ 399,674	\$ 13,898	\$ 42,829	11.55%
Grounds Maintenance	\$ 107,298	\$ 123,006	\$ 118,273	\$ 123,273	\$ 124,280	\$ (6,007)	\$ (4,733)	-3.85%
Program Expenses	\$ 333,610	\$ 299,120	\$ 304,157	\$ 302,157	\$ 299,706	\$ 4,451	\$ 5,037	1.68%
Debt Service	\$ 947,757	\$ 970,000	\$ 970,000	\$ 1,005,000	\$ 1,005,000	\$ (35,000)	\$ -	0.00%
Capital Spending	\$ 1,038,598	\$ 693,000	\$ 699,300	\$ 699,300	\$ 1,540,300	\$ (841,000)	\$ 6,300	0.91%
TOTAL EXPENSE	\$10,187,530	\$ 9,876,671	\$10,255,144	\$10,511,836	\$11,336,517	\$ (1,081,373)	\$ 378,473	3.69%

Expense Increase	\$ 378,473	3.69%						
Revenue Increase	\$ (242,959)	5.07%			Total Taxable Value	FY 2018 - TAX	To Tax bill	% Incr
Net To Taxbill	\$ 135,514	0.54%	\$0.10		\$ 1,382,205,550	\$25,140,299	\$ 135,514	0.54%

	2015	2016	2017	2018	2018	MGR	\$\$	PCT
General Fund	ACTUALS	ACTUALS	ACTUALS	ACTUALS	BUDGET	Budget '19	INCREASE	CHANGE
Property Tax Revenue	\$ (111,787)	\$ (112,252)	\$ (14,060)	\$ -	\$ -	\$ -	\$ -	0.00%
Other Tax Revenue	\$ (1,764,004)	\$ (1,978,713)	\$ (2,048,737)	\$ (1,314,549)	\$ (1,761,000)	\$ (2,045,000)	\$ (284,000)	16.10%
Licenses & Permits	\$ (159,681)	\$ (168,173)	\$ (207,888)	\$ (91,065)	\$ (143,615)	\$ (154,974)	\$ (11,359)	-91.90%
Intergovernmental	\$ (943,015)	\$ (885,347)	\$ (974,245)	\$ (713,768)	\$ (715,036)	\$ (727,398)	\$ (12,362)	-72.20%
Charges for Services	\$ (1,210,283)	\$ (1,982,645)	\$ (2,000,011)	\$ (1,154,870)	\$ (1,956,848)	\$ (1,928,029)	\$ 28,819	-57.90%
Other Revenues	\$ (362,190)	\$ (404,943)	\$ (514,696)	\$ (124,927)	\$ (175,900)	\$ (174,957)	\$ 943	-96.30%
Wages & Salaries	\$ (47,846)	\$ (49,843)	\$ (55,964)	\$ (43,256)	\$ (35,000)	\$ -	\$ 35,000	-100.00%
TOTAL REVENUE	\$ (4,598,807)	\$ (5,581,916)	\$ (5,815,601)	\$ (3,442,435)	\$ (4,787,399)	\$ (5,030,358)	\$ (242,959)	5.07%

What's new in this year's budget?

This year, I increased staff by half a position in the Town Clerk's Office and also increased the Fire Chief's time by 25% bringing that position to full time in January of 2019. The Finance office was reduced by half a position.

I did not include any money for Aging in Place (AIP) staffing in the Recreation budget (\$25,000) or AIP Programming (\$25,000). Both were funded previously with end of year excess revenues. I also included a 2% COLA versus a 3% COLA (\$20,000 savings) originally approved by the Finance Committee for consideration by the full Council. There were substantial cuts to capital spending requests, but the Capital budget was funded at last year's levels. This year's proposed paving program was delayed again, so not to lose \$500,000 of State match money. The paving plan will fund repairs to Main Street beginning at Tuttle Road and ending just south of Turkey Lane. The money will also help pave all of Skillins Road and reconstruct about 500 feet of it near the "S" turns. This is the third time in six years this "delay" has occurred essentially stalling our Paving Plan. We will need to carefully consider our future participation in this State match program or raise additional monies for Town wide paving. The \$500,000 match has swallowed up the bulk of our paving funds.

Parking improvements to the Library and Town Hall will also need to wait. Each project had costs of \$75,000, but again, there is not enough capital reserves available to cover either of these worthy projects. We are looking at purchasing a front end loader, a dump truck and a police cruiser this year. The police cruisers are annual replacements, while the dump truck and front-end loader have been funded over the past two years.

There are no new costs shifted to the Tax Increment Financing budgets.

There are no increased levels of contributions to outside agencies, Conservation Commission Projects or Cemeteries.

Summary

While the Municipal Budget increase is relatively small, there will be strong competing interests for future capital funds and new projects. Many of our major roads will need reconstruction; water mains will need to be improved; and a new water tower will be needed to better service West Cumberland. Equipment will continue to depreciate and require replacement. The responsible way the Town Council has handled these projects to date is always worth re-visiting. When large projects, generating positive tax revenues are in the development pipeline, those are the times when increased spending can be considered.

A 10 cent tax increase for Town spending I believe is very responsible. I am fearful the MSAD budget will have a significant increase. A \$400,000 loss in revenues this year and even a modest increase in spending, will result in a significant increase in our assessment.

In closing, you have a team of consummate professionals working very hard on behalf of all our citizens. I am fortunate to have such a skilled and proficient team in developing this year's Budget. When the Town Manager, Assistant Town Manager and Finance Director are all Cumberland residents, the budget process takes on a committed and thoughtful review of all spending requests and is transparent and defensible.

My Team looks forward to working through this year's budget with the Finance Committee and the full Town Council.