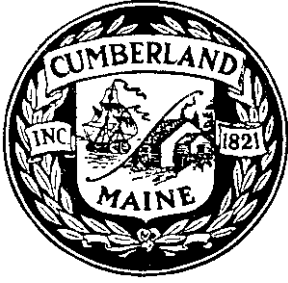


ITEM

18-083

To hear a report from the Finance Committee Chair, authorize the Town Manager to transfer inter-departmental operating funds for FY'18, and to amend the fund balance policy, as recommended by the Finance Committee



TOWN OF CUMBERLAND, MAINE
290 TUTTLE ROAD
CUMBERLAND, MAINE 04021
TEL: 207-829-2205 FAX: 829-2224

To: Thomas Gruber, Finance Committee Chairman
From: William R. Shane, Town Manager
Date: June 18, 2018
Re: Budget Transfers FY 18
Charter Section 7 & 8- Expenditures & Transfers pages 12 and 13

I am requesting a meeting of the Finance Committee to review and prepare a recommendation to the full **Town Council at its June 25th** meeting for the transfer of funds to close-out the **FY 2018 Budget.**

All transfers will result in no increase in taxes and represents monies not spent from operating accounts, excess revenues and overlay.

Town Charter Article VI. Section 7. Expenditures and departmental revenue

The budget for all departments shall include all proposed expenditures; and the Council shall make a gross appropriation for each department for the ensuing fiscal year. The gross appropriation for each department shall not be exceeded except by consent of the Council.

Town Charter Article VI. Section 8. Transfers of appropriations

At the request of the Town Manager and within the last three (3) months of the budget year, the Council may by resolution transfer any unencumbered appropriations, balance or portion thereof between general classification of expenditures within a department. Following the close of the fiscal year the Council may also continue unexpended balances in capital accounts and prepaid items.

I am asking that you authorize me to make the necessary transfers between Revenues and Departmental Operating Budgets to close-out the FY 2018. The following pages show the actual line items for both Revenues and Expenses.

At the end of the presentation of the attached expenses, revenues and transfer recommendations, I would suggest the following motions which the Finance Committee approved at its Monday, June 18, 2018 meeting.

The operating Budget overages this year can be classified as follows:

General Government	\$98,358
Public Safety - Fire	\$43,035
Public Services	\$97,484
Recreation	\$53,431
	<u>\$292,308</u>

Saving in Other Areas reduced overage to: **\$287,318**

The Revenues budget overages this year can be classified as follows:

Department	FY18 Budget	YTD ACTUAL @ 5/31	Est June	Total	Est Surplus (Deficit)
Other Taxes Total	1,758,000	1,979,252	155,000	2,134,252	376,252
Licenses & Permits Total	143,615	138,478	9,699	148,177	4,562
Intergovernmental Total	715,036	610,164	92,938	703,102	(11,934)
Other Revenues Total	128,600	138,683	3,992	142,675	14,075
Police Total	75,600	81,713	3,500	85,213	9,613
Fire Total	190,600	195,100	22,242	217,342	26,742
Public Works Total	270,500	288,947	17,000	305,947	35,447
Val Halla Course	634,632	517,431	37,647	555,078	(79,554)
Val Halla Other	49,200	44,246	3,800	48,046	(1,154)
Recreation Total	818,116	912,906	109,631	1,022,537	204,421
Library Total	3,500	4,216	489	4,705	1,205
Total General Revenues	4,787,399	4,911,136	455,938	5,367,074	579,675

Excise Taxes and Recreation are all well above projections and comprise the lion's share of revenue overages. We have increased Excise Taxes for next year again as well as recreation revenues. The \$850,238 dollar excess will be applied to a multitude of Town infrastructure, senior tax relief and AIP programing as well as funding budget reserves. Estimated year end expenditures by Department are listed on the next page.

Department	FY18 Budget	YTD ACTUAL @ 5/31	Est June	Total	Est Surplus (Deficit)
Other Taxes Total	1,758,000	1,979,252	155,000	2,134,252	376,252
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Library Total	3,500	4,216	489	4,705	1,205
Total General Revenues	4,787,399	4,911,136	455,938	5,367,074	579,675
Administration Total	571,347	572,249	46,260	618,509	(47,162)
Assessing Total	85,625	85,856	11,000	96,856	(11,231)
Town Clerk Total	197,180	197,272	20,329	217,601	(20,421)
IT Total	192,757	198,835	8,373	207,208	(14,451)
Elections Total	13,103	6,721	6,422	13,143	(40)
Planning Total	65,850	57,681	5,593	63,274	2,576
Legal Total	42,500	42,498	7,631	50,129	(7,629)
General Government Total	1,168,362	1,161,112	105,608	1,266,720	(98,358)
Police Total	1,358,525	1,233,066	115,770	1,348,836	9,689
Fire & Rescue Total	874,775	852,519	65,291	917,810	(43,035)
Code Enforcement Total	138,705	124,989	10,883	135,872	2,833
Harbor Master	10,000	6,058	3,500	9,558	442
Animal Control Total	31,473	30,562	3,123	33,685	(2,212)
Public Safety Total	2,413,478	2,247,194	198,567	2,445,761	(32,283)
Public Works Total	1,113,973	1,127,204	55,294	1,182,498	(68,525)
Solid Waste Total	497,785	420,888	84,752	505,640	(7,855)
Parks Total	279,153	260,538	37,677	298,215	(19,062)
W. Cumberland Hall Total	5,775	5,968	493	6,461	(686)
Historical Soc Bldg	4,958	5,429	884	6,313	(1,355)
Public Services Total	1,901,644	1,820,027	179,101	1,999,128	(97,484)
Clubhouse	35,804	32,409	2,110	34,519	1,285
Course	474,665	421,942	55,187	477,129	(2,464)
Pro Shop	224,719	202,589	33,202	235,791	(11,072)
Val Halla	735,188	656,940	90,499	747,439	(12,251)
Recreation Total	920,638	896,056	78,013	974,069	(53,431)
Recreation	920,638	896,056	78,013	974,069	(53,431)
Library Total	437,550	409,640	37,623	447,263	(9,713)
Library Total	437,550	409,640	37,623	447,263	(9,713)
General Assistance Total	35,000	28,285	-	28,285	6,715
Health Total	13,875	13,577	300	13,877	(2)
Cemetery Total	26,700	26,700	-	26,700	-
Conservation Total	6,000	4,716	500	5,216	784
Fire Hydrants Total	70,800	63,367	6,525	69,892	908
Streetlights Total	43,000	40,174	3,648	43,822	(822)
Contingency Total	10,000	-	1,500	1,500	8,500
Muni Building Total	79,609	88,792	9,436	98,228	(18,619)
Abatements Total	20,000	23,069	-	23,069	(3,069)
Other Total	304,984	288,680	21,908	310,588	(5,604)
General Fund Controllable Expenditures	7,881,844	7,479,649	711,320	8,190,969	(309,125)
Debt Service Total	970,000	962,673	-	962,673	7,327
Insurance Total	331,827	310,847	6,500	317,347	14,480
MSAD #51 Total	17,208,107	15,774,098	1,434,009	17,208,107	0
County Tax Total	813,904	813,904	-	813,904	-
CIP transfers	693,000	693,000	-	693,000	-
General Fund Fixed Expenditures	20,016,838	18,554,522	1,440,509	19,995,031	21,807
General Fund Total Expenditures	27,898,682	26,034,171	2,151,829	28,186,000	(287,318)

Recommended FY 2018 Transfers:

Town of Cumberland
Sources and Uses of GF Surplus
Fiscal Year Ending 6/30/2018

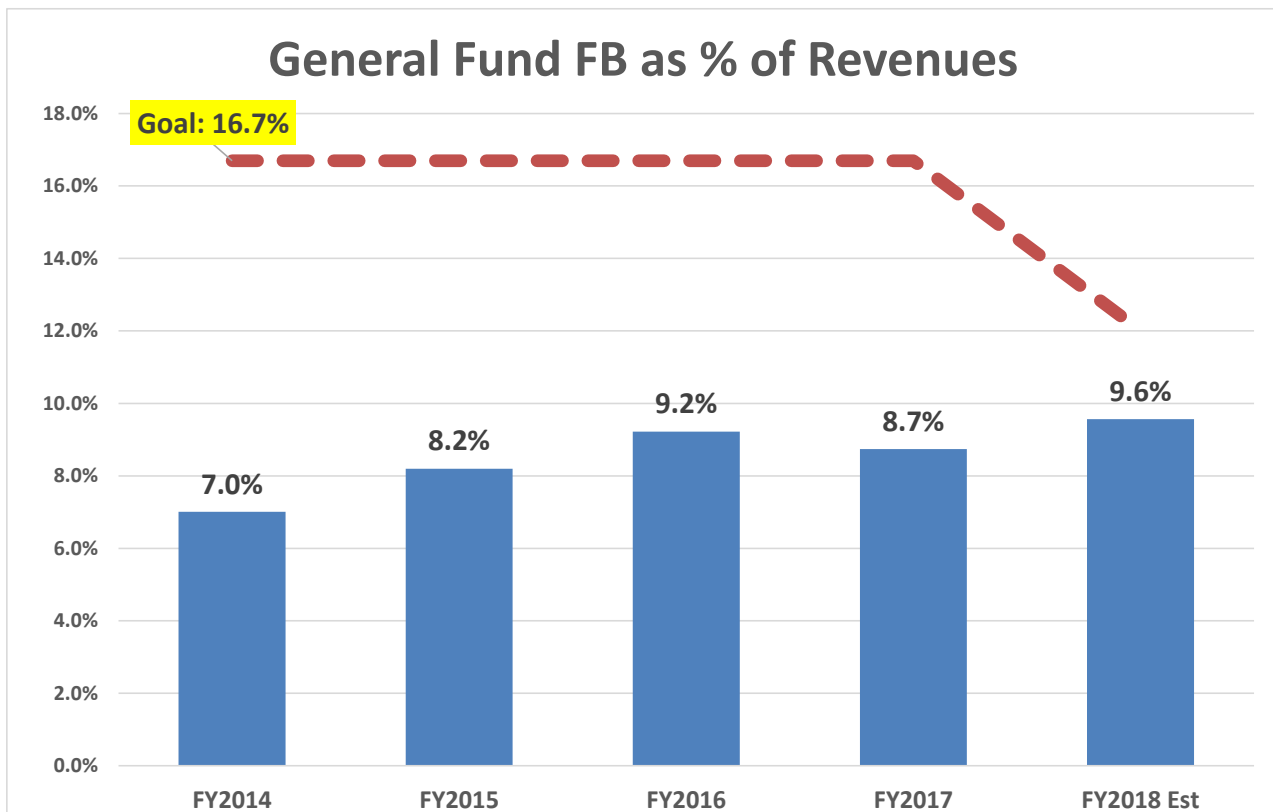
		%	Goal- FY 19
FY2018 Beginning GF Fund Balance	\$ 2,436,028	8.7%	12.0%
	<u>Budgeted</u> <u>Estimated</u>		
GF Revenues over (under) budget	\$4,787,399 \$5,367,074		579,675
Homestead Exemption Reimbursement	\$0 \$367,114		367,114
GF Expenses (over) under budget	\$27,898,682 \$28,186,000		(287,318)
Add: Overlay (excluding Homestead)			252,307
CIP unbudgeted expenses (see below)			(61,497)
Estimated End of Year funds available:			<u>850,281</u>
Less transfers for:			
Assessing property audit			(100,000)
Local roads PM			(88,000)
Senior tax rebate			(70,000)
Town anniversary			(15,000)
Brown tail moth spraying			(20,000)
TAN interest			(15,000)
Library collection additions			(10,000)
Police CIP Additional			(16,000)
FIRE CIP			(16,000)
			<u>(350,000)</u>
<i>Any additional excess revenues will be added to Fund Balance</i>		%	Goal- FY 19
Projected FY2018 GF Ending Fund Balance	\$ 2,936,309	9.6%	12.0%

CIP Expenses	<u>Over budget</u>
Landfill closure	(26,497)
Vehicle maintenance lift	(20,000)
Building maintenance pick up (Jonathan)	<u>(15,000)</u>
	(61,497)

Recommended Motions 1 of 3:

- I move the authorize the Town Manager to transfer excess end of year operating revenues and interdepartmental operating balances to close-out all Departmental budgets for FY 2018 as recommended by the Finance Committee.**

	GF Revenues	GF EOY FB	%	Goal:
FY2011	20,517,073	2,150,042	10.5%	16.7%
FY2012	21,273,120	2,231,218	10.5%	16.7%
FY2013	23,036,910	2,595,663	11.3%	16.7%
FY2014	23,806,938	1,668,540	7.0%	16.7%
FY2015	25,207,688	2,066,785	8.2%	16.7%
FY2016	27,235,216	2,511,108	9.2%	16.7%
FY2017	27,874,301	2,436,028	8.7%	16.7%
FY2018 Est	30,464,866	2,914,309	9.6%	12.0%



Currently, the Town with the approved FY 2019 budget, is under the State's LD 1 budget allowance by over \$600,000 per John Brushwein our Assessor. This will be important when you set the Tax Rate at the end of July for FY 2019. Also we met the Finance Committees goal of less than a 2% impact to the Tax Rate by Municipal Services. This year's Total Municipal impact was **\$00.03 of the total \$ 00.90** increase this year.

Recommended Motion 2 & 3:

- 2. I move the authorize the Town Manager to use the surplus monies generated from the sale of Surplus Equipment to purchase 50% of a van-bus with MSAD 51 to be used for AIP and Recreation. (\$17,000)**

- 3. I move to change the Town's Fund Balance Policy Goal from 16.7% to 12% and to re-visit annually.**