City of Portland, Maine
Finance Committee Meeting
Thursday, February 4, 2016
5:00 p.m., Room 209

AGENDA

1. **Financial Overview**

2. **FY17 – FY21 CIP Discussion**

3. **Next Steps / CIP & FY17 Budget Calendar Review**

FY17 – FY21 Capital Improvement Plan

Financial Overview

Portland, Maine

Yes. Life's good here.

Table of Contents (numbers to be added later)

Refresher – Annual Borrowing Initial Targets

Ideally, the amount of Capital Improvement Plan borrowing in each fiscal year would not result in an increase to the tax rate (i.e. the increase in debt service expense from new CIP borrowings would be offset completely by the decrease in debt service expense from old CIP debt retirement).

FY17 - $12.9M

FY18 - $12.1M

FY19 - $14.4M

FY20 - $7.9M

FY21 - $12.1M

Impact of $1M in Additional Borrowing – 10 Year Asset

CITY OF PORTLAND, MAINE
Tax Impact of $1M Bond - 10 Year Amortization Period
Debt Service Schedule

DATE	PRINCIPAL	COUPON	INTEREST	PERIOD TOTAL	ANNUAL DEBT SERVICE
10/1/2016			10,000	10,000	
4/1/2017	100,000	2%	10,000	110,000	120,000
10/1/2017			9,000	9,000	
4/1/2018	100,000	2%	9,000	109,000	118,000
10/1/2018			8,000	8,000	
4/1/2019	100,000	2%	8,000	108,000	116,000
10/1/2019			7,000	7,000	
4/1/2020	100,000	2%	7,000	107,000	114,000
10/1/2020			6,000	6,000	
4/1/2021	100,000	2%	6,000	106,000	112,000
10/1/2021			5,000	5,000	
4/1/2022	100,000	2%	5,000	105,000	110,000
10/1/2022			4,000	4,000	
4/1/2023	100,000	2%	4,000	104,000	108,000
10/1/2023			3,000	3,000	
4/1/2024	100,000	2%	3,000	103,000	106,000
10/1/2024			2,000	2,000	
4/1/2025	100,000	2%	2,000	102,000	104,000
10/1/2025			1,000	1,000	
4/1/2026	100,000	2%	1,000	101,000	102,000
	1,000,000		110,000	1,110,000	

Impact of $1M in Additional Borrowing – 20 Year Asset

Date	Principal	Coupon	Interest	Period Total	Fiscal Total
10/ 1/16			12,500.00	12,500.00	
4/ 1/17	50,000.00	2.000000	12,500.00	62,500.00	75,000.00
10/ 1/17			12,000.00	12,000.00	
4/ 1/18	50,000.00	2.000000	12,000.00	62,000.00	74,000.00
10/ 1/18			11,500.00	11,500.00	
4/ 1/19	50,000.00	2.000000	11,500.00	61,500.00	73,000.00
10/ 1/19			11,000.00	11,000.00	
4/ 1/20	50,000.00	2.000000	11,000.00	61,000.00	72,000.00
10/ 1/20			10,500.00	10,500.00	
4/ 1/21	50,000.00	2.000000	10,500.00	60,500.00	71,000.00
10/ 1/21			10,000.00	10,000.00	
4/ 1/22	50,000.00	2.000000	10,000.00	60,000.00	70,000.00
10/ 1/22			9,500.00	9,500.00	
4/ 1/23	50,000.00	2.000000	9,500.00	59,500.00	69,000.00
10/ 1/23			9,000.00	9,000.00	
4/ 1/24	50,000.00	2.000000	9,000.00	59,000.00	68,000.00
10/ 1/24			8,500.00	8,500.00	
4/ 1/25	50,000.00	2.000000	8,500.00	58,500.00	67,000.00
10/ 1/25			8,000.00	8,000.00	
4/ 1/26	50,000.00	2.000000	8,000.00	58,000.00	66,000.00
10/ 1/26			7,500.00	7,500.00	
4/ 1/27	50,000.00	3.000000	7,500.00	57,500.00	65,000.00
10/ 1/27			6,750.00	6,750.00	
4/ 1/28	50,000.00	3.000000	6,750.00	56,750.00	63,500.00
10/ 1/28			6,000.00	6,000.00	
4/ 1/29	50,000.00	3.000000	6,000.00	56,000.00	62,000.00
10/ 1/29			5,250.00	5,250.00	
4/ 1/30	50,000.00	3.000000	5,250.00	55,250.00	60,500.00
10/ 1/30			4,500.00	4,500.00	
4/ 1/31	50,000.00	3.000000	4,500.00	54,500.00	59,000.00
10/ 1/31			3,750.00	3,750.00	
4/ 1/32	50,000.00	3.000000	3,750.00	53,750.00	57,500.00
10/ 1/32			3,000.00	3,000.00	
4/ 1/33	50,000.00	3.000000	3,000.00	53,000.00	56,000.00
10/ 1/33			2,250.00	2,250.00	
4/ 1/34	50,000.00	3.000000	2,250.00	52,250.00	54,500.00
10/ 1/34			1,500.00	1,500.00	
4/ 1/35	50,000.00	3.000000	1,500.00	51,500.00	53,000.00
10/ 1/35			750.00	750.00	
4/ 1/36	50,000.00	3.000000	750.00	50,750.00	51,500.00
	1,000,000.00		287,500.00	1,287,500.00	

Impact of Additional Expense / Revenue Loss on Tax Rate

		Tax Levy	$ Per 000	Increase from $20.00	
Current Tax Rate	*$*	*159,098,413*	*$20.63*	*$0.00*	*0.00%*
		1,000,000	20.76	0.13	0.63%
		2,000,000	20.89	0.26	1.26%
		3,000,000	21.02	0.39	1.89%
		4,000,000	21.15	0.52	2.51%
		5,000,000	21.28	0.65	3.14%
		6,000,000	21.41	0.78	3.77%
		7,000,000	21.54	0.91	4.40%
		8,000,000	21.67	1.04	5.03%
		9,000,000	21.80	1.17	5.66%
		10,000,000	21.93	1.30	6.29%

Assuming all other items remain constant, each $77,120 in additional expense or revenue loss results in a $0.01 cent increase to the tax rate

Portland, Maine — Yes. Life's good here.

Debt Management – Status Update

Debt per capita should not exceed the "moderate" range by Moody's, currently at $5,000. Current median for "reasonable, high level investment grade (Aa/AA)" per capita is >$5,000 Debt/capita and >4.5% Debt/ESV. Portland is well within these limits.

Fiscal Yr. End June 30,	Pop	Equal. State Val. (000)	Assessed Valuation (000)	Total Bonded Debt	Gross Debt		Net of POBs	
					as % Eq. Val.	Per Capita	as % Eq. Val.	Per Capita
2014	66,318	$7,551,450	$7,495,433	$288,976,222	3.83%	$4,357.43	2.37%	$2,695.59
2013	66,214	7,552,150	7,489,883	288,018,985	3.81	4,349.82	2.34%	2,695.59
2012	66,279	7,659,250	7,446,064	274,611,746	3.59	4,143.27	2.13	2,673.66
2011	66,194	7,909,900	7,439,890	272,137,261	3.44	4,111.21	2.03%	2,467.02
2010	63,008	8,196,900	7,449,629	258,290,983	3.15	4,099.34	1.79	2,431.30
2009	62,561	8,283,450	7,408,989	247,655,172	2.99	3,958.62	1.64	2,332.89
2008	62,561	8,289,850	7,654,632	235,893,212	2.85	3,770.61	1.50	2,177.96
2007	62,825	7,653,400	6,749,781	250,519,013	3.27	3,987.57	1.82	1,988.35
2006	63,011	7,039,000	5,691,985	248,613,000	3.53	3,945.55	1.95	2,211.21
2005	63,477	6,289,900	4,201,397	246,515,000	3.92	3,883.53	2.14	2,172.84

Fund Balance Policy

<u>Annual Fund Balance Policy Requirements</u>

- Maintain an unassigned General Fund Balance equal to 12.5% of general fund expenditures*

- Consider a balance of less than 8.3% to be cause for concern

General Fund Expenditures* FY16 - $264,959,223

12.5% = $33,119,903

8.3% = $21,991,616

* Net of enterprise-supported debt service and State reimbursed school debt service

Fund Balance Policy – Balance Projections

$ 32,727,720 - Actual Fund Balance at end of FY2015
$ (500,000) - Budgeted usage of Fund Balance for FY2016
$ (415,000) - Budgeted school usage of Fund Balance for FY2016
$ 31,812,750 – Starting point for end of FY2016 Fund Balance discussions

Assuming City/School Expenditures of $270M:
12.5% = $33,750,000 (Fund Balance Policy recommended amount)
11.8% = $31,812,750 (per projections above)
8.3% = $22,410,000 (Fund Balance Policy minimum)

Fund Balance Policy – Future Stress Factors

- Approximately $3M overbudget on FY16 Health Insurance Claims
- Continued uncertainty over General Assistance reimbursements
- Potential $2.3M reduction in School EPS funding for FY17
- Plan for future usage of Capital Reserve within Fund Balance

FY17 Capital Improvement Plan - City Manager Recommended - General Fund

Transportation		
PACTS/Match		
PACTS Regional Transportation Management Systems (RTMS) - Traffic Signals		222,000
PACTS Danforth St Paving		86,000
	PACTS/Match Subtotal	308,000
Traffic Signals		
Traffic Signals at Various Locations		200,000
Traffic Signal Work in Support of Paving Programs		150,000
	Traffic Signals Subtotal	350,000
Streets/Sidewalks		
Paving Preservation and Rehabilitation		2,900,000
Railroad Quiet Zone Improvements		800,000
Sidewalk Rehabilitation/Accessibility		500,000
Municipal Partnership Initiative (MPI) Paving Program		465,750
CSO Compliance - SRF Ineligibles		400,000
MaineDOT Arterial Paving Riverside St - utility system costs		143,000
Monument Square ADA Improvements		100,000
Thames Street Extension Engineering		50,000
One City Center - Shared cost sidewalk		28,000
	Streets/Sidewalks Subtotal	5,386,750
	Transportation Total	**6,044,750**
Facilities		
Buildings/Garages		
Roof Deck at Spring Street Parking Garage - Phase II		700,000
Peaks Island Library		250,000
212 Canco Rd Fit-Out		200,000
Elevator Replacement - Police Department		200,000
Structural Repairs/Door Frame replacement - Hadlock		190,000
Public Safety Burner Replacement - Police Department		70,000
Firehouse Conditional Appraisal		50,000
Passenger Elevator at City Hall		50,000
Fire Station Exhaust Removal System Upgrade		30,000
	Buildings/Garages Subtotal	1,740,000
Marine		
On going pile/pier work		170,000
POT - Pile engineering Survey		112,500
Compass Park Pier Stablization/Maine State Pier		200,000
	Marine Subtotal	482,500
Schools		
Peaks Island - Boiler Replacement/EMS/Masonry		500,000
Lyman Moore - Paving Drainage		400,000
Reiche Ramp Removal + Engineering		300,000
Lincoln School - Masonry		250,000

DHS -Windows		250,000
PATHS Fire Alarm Replacement		175,000
CBHS - Engineering/ Construction for new entrance		50,000
Reiche - Roof Replacement/Engineering		20,000
	Schools Subtotal	1,945,000
	Facilities Total	**4,167,500**

Open Spaces, Parks, Fields, Trails

Open Spaces, Parks, Fields, Trails		
Lincoln Park Walkways Repair		250,000
Lyman Moore Ballfields - Drainage Phase II		200,000
Amythyst Lot Master Plan		80,000
Golf Course Rehab		50,000
	Parks, Fields, Trails Total	**580,000**

Equipment and Vehicles

Equipment		
Parking Meters Replacement		131,250
Streetlights: Implement GPCOG LED Conversion		100,000
Virtualization, Storage and Redundancy Upgrade		75,000
Security Management System		35,000
	Equipment Subtotal	341,250
Vehicles		
Food Service Truck - School Department		89,000
Police Cruisers (4) Replacement - Police		152,000
Medcu Ambulance Replacement - Fire		265,000
Used Pickups for Various City Departments		150,000
TA Dump Truck Replacement - Districting 3095		185,000
Arrest Vehicle Replacement - Police		76,500
Sidewalk Tractors Replacement		280,000
Refurbish 4 Plow Truck Bodies		160,000
Wheel Loader Replacement - Winter 5093		210,000
1 Ton Dump Truck Replacement - Districting 3084		60,000
1 Ton Dump Truck Replacement - Districting 3085		60,000
1 Ton Dump Truck Replacement - Barron Center 3914		60,000
1 Ton Truck Replacement - Playgrounds 3091		52,000
3/4 Ton Pickup Replacement - Districting 2184		35,000
Activities League Vehicle Replacement - Police		30,000
Medcu 15 Cliff Island		150,000
3/4 Ton Pickup Replacement - Districting 2185		35,000
TA Dump Truck Replacement - Winter 3094		185,000
3/4 Ton Pickup Replacement - Districting 2183		35,000
Wheel Loader Replacement - Public Services 5099		210,000
Tractor Replacement - Ballfields 7138		55,000
Patrol Supervisor Vehicle Replacement - Police		39,500
Replace box truck 4903 - School Maintenance		50,000
	Vehicles Subtotal	2,624,000

Equipment and Vehicles Total	**2,965,250**

Subtotal - FY17 Recommended Projects	**13,757,500**
Less: Available Funds within Bayside TIF	(400,000)
Less: PY Unallocated CIP	(400,000)
General Fund Financed Total	**12,957,500**

FY17 Capital Improvement Plan - City Manager Recommended - Other Funding Sources

Operating Budget CIP	
Temple St. Parking Garage Cond. Appraisal Rprs Concrete & Joints	230,000
Ticket Dispenser and Register at Elm Street Parking Garage	25,000
Conference Room Air Conditioning - Expo Center	30,000
Vulcan Steamer - Barron Center Kitchen	14,900
Laundry Box Truck Replacement - Barron Center 3912	30,000
Rotary Trim Mower Replacement - Golf Course	45,000
Pot Hole Patcher Replacement - Districting 5104	40,000
Tractor -PDD - 7159	20,000
Litter Vac Replacement - PDD	75,000
Kitchen Box Truck Replacement- Barron Center 3913	30,000
Patient Transport Van Replacement - Barron Center 3901	35,000
Operating Budget CIP Total	**574,900**
Special Revenue Fund CIP	
Merrill- Flooring/Seating/Painting Replacement	100,000
Evergreen Cemetery Wall	100,000
Fire Alarm System - Barron Center	70,000
Day Room Furniture - Barron Center	23,802
Special Revenue Fund CIP Total	**293,802**
School Surplus CIP (20-A M.R.S. 1312 & 1706)	
Two 14 Passenger Buses	87,000
Replacement School Bus	88,000
Schools Conditional Appraisal / Workplan for Future Repairs	300,000
Capital Allowance for Future School Capital Improvements	TBD*
School Surplus Subtotal	**475,000**
TOTAL FY17 GF CAPITAL IMPROVEMENT PROJECTS - ALL FUNDING SOURCES	**15,101,202**

*Excess school surplus is being recommended for placement in a capital allowance for future use. Final amount of the capital allowance is pending and will be based on beginning balance less FY16 budgeted school usage of fund balance ($415,000), less FY17 recommended use of school surplus above ($500,000), and less FY17 school budgeted use of fund balance (TBD).

FY16 Capital Improvement Plan - As Approved - General Fund

Transportation	
PACTS/Match	
PACTS Regional Transportation Management Systems (RTMS) - Traffic Signals	100,000
PACTS/Match Total	100,000
Streets/Sidewalks	
Paving Preservation and Rehabilitation	1,000,000
Sidewalk Rehabilitation/Accessibility	500,000
Streets/Sidewalks Total	1,500,000
Transportation Total	1,600,000
Facilities	
Buildings/Garages	
Fire Alarm & Sprinkler Systems at all Fire Stations	75,000
Waterproof Decking Recoat at Temple Street Parking Garage	305,000
Ultra Violet Water Treatment System at Riverton Pool	50,000
Passenger Elevator at City Hall	100,000
Seating at Hadlock Field	190,000
Bleachers at Ice Arena	100,000
Roof Deck at Spring Street Parking Garage	500,000
Library Roof Section	25,000
Buildings/Garages Total	1,345,000
Marine	
Compass Park Pier Stablization	30,000
Piles at Portland Ocean Terminal	280,000
Steel Piles at Ocean Gateway Pier (engineering)	100,000
Marine Total	410,000
Schools	
PATHS Paving	450,000
Fire Alarm System at Portland High School	150,000
Windows at Deering High School	250,000
Oil Tanks Removal at Various School Buildings	100,000
Schools Total	950,000
Facilities Total	2,705,000
Parks, Fields, Trails	
Parks, Fields, Trails	
Payson Park Softball Field "A" - Amenity and Field Upgrades	200,000
Lyman Moore Sports Complex	275,000
Capisic Pond Improvements	565,000
Golf Course Rehabilitiation	100,000

Parks, Fields, Trails Total	1,140,000
Parks, Fields, Trails Total	1,140,000
Equipment and Vehicles	
Equipment	
Communication System Replacement	7,000,000
Equipment Total	7,000,000
Vehicles	
30 Passenger Bus - School	50,000
Full Size Bus - School	90,000
7 Passenger Van - School	50,000
Medcu Ambulance Replacement - Fire	265,000
Police Cruisers (4) Replacement - Police	160,000
Ladder 1 Replacement - Fire	1,300,000
Bucket Truck Replacement - Forestry 5098	220,000
Vehicles Total	2,135,000
Equipment and Vehicles Total	**9,135,000**
GENERAL FUND FINANCED TOTAL	14,580,000

FY17 City Budget Calendar

City

Dec. 3 (Thursday): Submission of Department Revenue Estimates and Fee Schedule Changes to Budget Office

Jan: Submission of Completed Department budgets to the Budget Office (Expenditures and Revenue Updates):

(A) Jan 20 (Wednesday): Smaller Departments (Dept #s: 11, 12, 13, 14, 15, 16, 17, 19, 29, 61 & 62)

(B) Jan 27 (Wednesday): Larger Departments / All Other

Feb: Staff completes budget compilation and City Manager's Review of Revenues[1]

March: City Manager's Departmental Budget Reviews

April 4 (Monday): Submission of City Manager's Budget to City Council, and distribution of budget summary to the Public

April: Finance Committee Budget Reviews
(school vacation week April 18-22)

May 2 (Monday): 1st Reading of Appropriation Resolve and Public Hearing

May 9 (Monday): City Council Workshop

May 16 (Monday): 2nd Reading of Appropriation Resolve and Passage of City Budget / Setting of Tax Rate; Final City Council Action

[1] In accordance with City Charter, Article II, Section 5 *Mayor's Powers and Duties* the Mayor will "consult with and provide guidance to the City Manager in the preparation of all city budgets and to provide comments on such budgets at the time they are presented by the City Manager to the City Council for approval." Consultations will occur in Feb prior to City Manager Budget Reviews.

2/4/2016

Finance Calendar - February 2016

Sun	Mon	Tue	Wed	Thu	Fri	Sat
	1 City Council Meeting – 5PM	**2**	**3**	**4** Finance Committee – 5PM • Discussion of FY17-FY21 Capital Improvement Plan	**5**	**6**
7	**8**	**9**	**10**	**11**	**12**	**13**
14	**15** Presidents Day	**16**	**17** City Council Meeting – 5PM	**18**	**19**	**20**
21	**22**	**23**	**24**	**25** Finance Committee – 5PM • Discussion / Action on FY17-FY21 Capital Improvement Plan	**26**	**27**
28	**29**	**Notes:** **Next Finance Committee Meeting will be on 2/25 at 5PM**				

2/4/2016

Finance Calendar - March 2016

Sun	Mon	Tue	Wed	Thu	Fri	Sat
		1	2	3	4	5
6	7 City Council Meeting – 5PM	8	9	10 Finance Committee- 5PM	11	12
13	14	15	16	17	18	19
20	21 City Council Meeting – 5PM	22	23	24 Finance Committee- 5PM	25	26
27 Easter	28	29	30	31	Notes:	

2/4/2016

Finance Calendar - April 2016

Sun	Mon	Tue	Wed	Thu	Fri	Sat
					1	2
3	4 City Council Meeting – 5PM • City Manager's Recommended Budget Presented to Council, passed to Finance Committee for Review • School Board Presents FY17 Recommended Budget to City Council	5	6	7 Finance Committee – 5PM • FY17 Budget Review Begins	8	9
10	11	12	13	14 Finance Committee – 2PM • FY17 Budget Review Continues	15	16
17	18 Patriots Day	19 Finance Committee – 5PM FY17 Budget Review Continues	20	21 Finance Committee – 5PM • FY17 Budget Review Continues	22	23
24	25 Special City Council Meeting • 5PM Workshop on School Budget • 7PM 1st Read and Public Hearing of School Budget	26	27	28 Finance Committee – 5PM • FY17 Budget Review, Action	29	30

Finance Calendar - May 2016

Sun	Mon	Tue	Wed	Thu	Fri	Sat
1	**2** City Council Meeting • FY17 City Budget 1st Read • FY17 School Budget 2nd Reading and Vote	**3**	**4**	**5**	**6**	**7**
8	**9** City Council Workshop • FY17 Budget	**10** Public Referendum FY17 School Budget	**11**	**12** Finance Committee – 5PM	**13**	**14**
15	**16** City Council Meeting • FY17 City Budget 2nd Read and Vote	**17**	**18**	**19**	**20**	**21**
22	**23**	**24**	**25**	**26** Finance Committee – 5PM	**27**	**28**
29	**30**	**31**	**Notes:**			