

City of Portland, Maine

Finance Committee Meeting

Thursday, June 22nd, 2017

5:30PM – Room 209

1. Finance Committee Meeting Agenda

Documents:

[FC AGENDA 6-22-17.PDF](#)

City of Portland, Maine
Finance Committee Meeting
Thursday, June 22nd, 2017
5:30PM – Room 209

AGENDA

- 1. Introductions**
- 2. Approval of Minutes from May 4th, 2017 Finance Committee Meeting (Page 2)**
- 3. FY17 Budget to Actual Review – May YTD (Pages 3-7)**
- 4. Fund Balance Policy and Compliance Review (Page 8)**
- 5. Future Finance Committee Meeting Dates / Topics**
 - a. State Budget Updates**
 - b. City Council / Finance Committee Goal - Develop proposal for targeted tax relief**
 - c. Capital Improvement Plan – Late Fall / Winter 2017**
 - d. Other**
- 6. Adjournment**

Joint City / School Finance Committee
Meeting Minutes
Thursday, May 4, 2017

Attendees: Chair Mavodones, Committee Members Costa and Ali, Councilors Brenerman, Ray and Duson, Mayor Strimling, Superintendent Botana, School Board Members Trevorrow, Vendil, Davis and Hatzenbuehler, members of staff and public.

Chair Mavodones opened the meeting - called to order

1. Review of Follow Up Questions on School and City Budgets

- Presentation of City Manager memo on important items which were cut from the FY18 City Budget
- Two potential budget amendments were discussed and deferred until the full City Council meeting on May 15, 2017 - 1) Addition of a Waterfront Manager position for \$68,600 and 2) removal of the Special Assistant to the Mayor and City Council position for (\$69,076)
- Presentation of memo from Human Resources on Mayor salary increase request and comparables
- Presentation of short memo on additional items included in City Council Department budget for FY18
- Presentation of revised City/School budget resolve, 2.6% overall tax rate increase, new mil rate of \$21.66
- Presentation from School Finance Director on final FY18 Board of Education Recommended Budget

2. Public Hearing – FY18 City and School Budgets

3. Discussion and vote on FY18 Board of Education Recommended Budget

Motion by Councilor Costa, seconded by Councilor Ali to approve and recommend the FY18 Board of Education Recommended Budget to full City Council, resulting in a tax levy for school purposes of \$82,787,921 **(Passes 3-0)**

4. Discussion and vote on FY18 City Manager's Recommended Budget

Motion by Councilor Costa, seconded by Councilor Ali to approve the 2.0% non-union employee cost of living adjustment for FY18 as included in the FY18 City Manager Recommended budget **(Passes 3-0)**

Motion by Councilor Costa, seconded by Councilor Ali to amend the FY18 City Manager Recommended budget to remove \$8,800 of new expenditures from City Manager Recommended budget - \$4,800 removed for City Council cell phone reimbursement (\$50/month * 8 Councilors) and \$4,000 removed for City Councilor constituent outreach (\$500 per Councilor) **(Passes 3-0)**

VOTE on the main motion, as amended, to recommend to the full City Council the FY18 City Manager Recommended budget as amended, resulting in total municipal tax levy of \$86,160,206 **(Passes 3-0)**

City of Portland
Budget to Actual Expenditures by Department
FY2017
May Year-to-Date
 (Excludes Encumbrances)

Department	FY17 Budget	FY17 Actual	FY17 %
<u>General Fund:</u>			
City Council	\$376,820	\$363,616	96.5%
City Clerk	492,149	425,646	86.5%
City Manager	924,881	788,798	85.3%
Assessor	453,089	342,492	75.6%
Finance	1,736,637	1,404,309	80.9%
Legal	567,152	540,411	95.3%
Human Resources	989,173	765,632	77.4%
Parking	2,346,390	1,934,844	82.5%
Economic Development	457,910	377,586	82.5%
Police Department	15,662,557	13,507,526	86.2%
Fire Department	16,862,979	14,554,708	86.3%
Planning & Development	1,587,116	1,457,139	91.8%
Permitting & Inspections	1,485,685	1,308,888	88.1%
Information Technology	2,335,463	2,064,504	88.4%
Public Works	14,262,049	12,337,283	86.5%
Parks, Recreation & Facilities	15,052,003	12,723,511	84.5%
HHS Administration	378,372	328,577	86.8%
Public Health	2,776,297	2,359,624	85.0%
Social Services	12,067,094	10,338,730	85.7%
Barron Center	16,429,366	13,383,874	81.5%
Debt Service	37,323,569	35,065,088	93.9%
Library	3,825,000	3,429,233	89.7%
Pension	6,988,107	6,023,774	86.2%
Employee Benefits	21,012,624	18,039,335	85.8%
Contingent	325,750	155,682	47.8%
Liability Insurance	778,596	623,624	80.1%
County Tax	5,417,119	5,417,119	100.0%
Memberships / Other	2,967,938	2,974,389	100.2%
Capital	390,000	104,623	26.8%
Total General Fund:	\$186,271,885	\$163,140,565	87.6%
<u>Enterprise Funds:</u>			
<u>Dedicated:</u>			
Fish Pier	342,733	217,420	63.4%
Sewer	23,678,025	21,103,491	89.1%
Stormwater	4,111,512	1,676,247	40.8%
Jetport	21,777,437	16,864,096	77.4%
Total Dedicated:	49,909,707	39,861,254	79.9%
Total Enterprise Funds:	\$49,909,707	\$39,861,254	79.9%
<u>City / School Summary:</u>			
City Totals:	236,181,592	203,001,819	86.0%
School Totals:	103,602,884	87,732,824	84.7%
Total City and School:	\$339,784,476	\$290,734,643	85.6%

City of Portland
Expenditure Comparison by Department
FY2015-FY2017
May Year-to-Date
(Excludes Encumbrances)

Department	FY15 Actual	FY15 % of Budget	FY16 Actual	FY16 % of Budget	FY17 Actual	FY17 % of Budget
General Fund:						
City Council	\$278,169	84.0%	\$287,695	83.4%	\$363,616	96.5%
City Clerk	448,110	84.1%	466,087	80.6%	425,646	86.5%
City Manager	754,057	85.9%	863,075	75.2%	788,798	85.3%
Assessor	285,920	87.9%	291,776	86.9%	342,492	75.6%
Finance	1,428,749	83.5%	1,412,232	83.7%	1,404,309	80.9%
Legal	437,792	87.8%	469,542	91.2%	540,411	95.3%
Human Resources	598,732	74.6%	723,076	90.5%	765,632	77.4%
Parking	1,718,431	84.1%	1,815,794	83.4%	1,934,844	82.5%
Economic Development	222,662	84.0%	426,335	119.5%	377,586	82.5%
Police Department	13,149,582	91.5%	13,079,018	89.4%	13,507,526	86.2%
Fire Department	14,199,140	84.7%	15,081,587	90.6%	14,554,708	86.3%
Planning & Development	1,952,268	88.1%	1,967,733	87.7%	1,457,139	91.8%
Permitting & Inspections	0	-----	0	-----	1,308,888	88.1%
Information Technology	1,838,585	85.6%	1,831,787	85.6%	2,064,504	88.4%
Public Works	15,351,623	94.0%	12,033,639	81.7%	12,337,283	86.5%
Parks Recreation & Facilities	9,948,217	84.8%	11,231,217	84.5%	12,723,511	84.5%
HHS Administration	0	-----	0	-----	328,577	86.8%
Public Health	3,369,898	86.4%	3,190,766	83.2%	2,359,624	85.0%
Social Services	11,703,467	88.2%	10,238,217	84.2%	10,338,730	85.7%
Barron Center	13,007,135	84.8%	13,932,801	88.7%	13,383,874	81.5%
Debt Service	31,227,381	88.8%	32,716,438	91.7%	35,065,088	93.9%
Library	3,275,973	91.2%	3,319,170	90.2%	3,429,233	89.7%
Pension	5,329,566	80.9%	5,823,342	81.4%	6,023,774	86.2%
Employee Benefits	16,883,848	91.2%	20,257,756	107.0%	18,039,335	85.8%
Contingent	107,298	85.8%	441,674	72.3%	155,682	47.8%
Liability Insurance	997,149	130.5%	642,411	82.9%	623,624	80.1%
County Tax	4,969,143	100.0%	5,240,009	100.0%	5,417,119	100.0%
Memberships / Other	3,005,692	98.8%	2,952,784	97.1%	2,974,389	100.2%
Capital	156,207	41.7%	383,003	102.1%	104,623	26.8%
Total General Fund:	\$156,644,794	88.8%	\$161,118,964	90.2%	\$163,140,565	87.6%
Enterprise Funds:						
<u>Dedicated:</u>						
Fish Pier	141,282	50.8%	152,816	45.4%	217,420	63.4%
Sewer	21,042,954	87.0%	20,199,173	87.9%	21,103,491	89.1%
Stormwater	0	-----	1,721,067	70.7%	1,676,247	40.8%
Jetport	17,187,733	85.2%	17,331,939	83.5%	16,864,096	77.4%
Total Dedicated:	\$38,371,969	85.4%	\$39,404,995	84.7%	\$39,861,254	79.9%
Total Enterprise Funds:	\$38,371,969	85.4%	\$39,404,995	84.7%	\$39,861,254	79.9%
Total City:	\$195,016,763	88.1%	\$200,523,959	89.0%	\$203,001,819	86.0%
<u>School Department:</u>						
School General Fund (130)	82,858,785	86.0%	85,939,194	88.4%	83,301,101	84.9%
Adult Education (150)	1,365,621	88.5%	1,482,353	84.6%	1,520,639	84.1%
Food Service (230)	3,106,549	83.1%	2,894,073	76.3%	2,911,084	80.0%
Total School:	\$87,330,955	86.0%	\$90,315,620	87.9%	\$87,732,824	84.7%
Total City /School:	\$282,347,718	87.4%	\$290,839,579	88.7%	\$290,734,643	85.6%

City of Portland
General Fund Expenditure Comparison by Category & School Department
FY2015-FY2017
May Year-to-Date
(Excludes Encumbrances)

Category	FY15 Actual	FY15 % of Budget	FY16 Actual	FY16 % of Budget	FY17 Actual	FY17 % of Budget
Payroll	\$63,397,536	88.6%	\$64,095,535	87.4%	\$65,154,829	86.5%
Benefits	20,802,867	88.7%	24,874,273	101.9%	22,417,724	85.3%
Administrative Services	1,306,517	69.8%	1,375,521	74.2%	1,529,295	84.6%
Client Expenses	7,628,387	88.8%	6,565,807	91.3%	5,986,541	83.7%
Contractual Services	7,056,413	85.2%	7,357,558	87.0%	7,563,376	79.2%
Maintenance and Repairs	3,379,030	81.1%	3,453,716	86.4%	3,518,236	81.7%
Rentals	2,456,609	138.7%	1,544,131	83.2%	1,979,923	110.5%
Insurance	1,863,521	138.3%	1,453,891	96.3%	1,686,458	96.1%
Supplies	5,904,893	80.1%	5,586,244	79.2%	5,821,403	81.4%
Minor Capital	83,221	40.1%	76,513	72.5%	91,628	61.4%
Utilities	3,638,496	86.1%	3,600,676	79.3%	3,962,393	83.6%
Contributions	8,536,888	97.9%	8,693,421	96.6%	8,935,213	98.4%
Capital Outlay	156,207	34.0%	534,060	91.9%	276,239	51.3%
Debt Service	30,434,203	88.7%	31,907,609	91.8%	34,217,310	93.4%
Total General Fund:	\$156,644,788	88.8%	\$161,118,955	90.2%	\$163,140,568	87.6%

School:

School General Fund (130)	\$82,858,785	86.0%	\$85,939,194	88.4%	\$83,301,101	84.9%
Adult Education (150)	1,365,621	88.5%	1,482,353	84.6%	1,520,639	84.1%
Food Service (230)	3,106,549	83.1%	2,894,073	76.3%	2,911,084	80.0%
Total School:	\$87,330,955	86.0%	\$90,315,620	87.9%	\$87,732,824	84.7%

City of Portland
Revenues
FY2017
May Year-to-Date

Category	FY17 Est.	FY17 Actual	FY17 % of Est.
<u>General Fund:</u>			
31 Property Taxes (City & School)	\$164,194,065	\$163,751,507	99.7%
31 Other Taxes	\$9,509,832	9,298,245	97.8%
32 Licenses and Permits	4,697,826	5,366,799	114.2%
33 Intergovernmental Revenue	10,048,308	9,061,939	90.2%
34 Charges for Services	36,128,810	36,997,591	102.4%
35 Fines Forfeits Penalties	2,294,100	1,868,463	81.4%
36 Uses of Money & Property	8,797,326	8,383,996	95.3%
39 Other Financing Resources	30,932,994	27,699,431	89.5%
Total General Fund:	\$266,603,261	\$262,427,971	98.4%
<u>Enterprise Funds:</u>			
Fish Pier	\$342,733	\$487,674	142.3%
Sewer	23,678,025	20,935,597	88.4%
Stormwater	4,111,512	5,591,793	136.0%
Jetport	21,777,437	18,301,507	84.0%
Total Enterprise Funds:	\$49,909,707	\$45,316,571	90.8%
Total City:	\$316,512,968	\$307,744,542	97.2%
<u>School Department (Non-Tax Revenues):</u>			
School General Fund (130)	\$19,142,378	\$16,612,971	86.8%
Adult Education (150)	658,680	615,479	93.4%
Food Service (230)	3,470,450	2,788,689	80.4%
Total School (Non-Tax Revenues):	\$23,271,508	\$20,017,139	86.0%
Total City / School:	\$339,784,476	\$327,761,681	96.5%

City of Portland
Revenues
FY2015-FY2017
May Year-to-Date

Category	FY15 Actual	FY15 % of Est.	FY16 Actual	FY16 % of Est.	FY17 Actual	FY17 % of Est.
<u>General Fund:</u>						
31 Property Taxes	\$153,527,525	100.2%	\$158,033,779	99.3%	\$163,751,507	99.7%
31 Other Taxes	7,843,198	97.9%	10,431,368	118.9%	9,298,245	97.8%
32 Licenses and Permits	2,780,028	74.2%	4,745,162	114.6%	5,366,799	114.2%
33 Intergovernmental Revenue	6,117,791	40.3%	4,563,526	44.3%	9,061,939	90.2%
34 Charges for Services	31,567,163	98.3%	31,769,169	93.5%	36,997,591	102.4%
35 Fines Forfeits Penalties	2,153,824	104.3%	2,016,895	100.7%	1,868,463	81.4%
36 Uses of Money & Property	7,163,049	90.9%	7,864,195	97.1%	8,383,996	95.3%
39 Other Financing Resources	27,002,986	85.4%	27,657,192	91.1%	27,699,431	89.5%
Total General Fund:	\$238,155,564	93.8%	\$247,081,286	96.2%	\$262,427,971	98.4%
<u>Enterprise Funds:</u>						
<u>Dedicated:</u>						
Fish Pier	\$440,239	158.2%	\$467,584	138.8%	\$487,674	142.3%
Sewer	21,188,825	87.6%	22,095,056	96.1%	20,935,597	88.4%
Stormwater	0	---	2,532,780	104.0%	5,591,793	136.0%
Jetport	17,415,825	86.4%	17,324,058	83.5%	18,301,507	84.0%
Total Dedicated:	\$39,044,889	86.9%	\$42,419,478	91.2%	\$45,316,571	90.8%
Total Enterprise Funds:	\$39,044,889	86.9%	\$42,419,478	91.2%	\$45,316,571	90.8%
Total City:	\$277,200,453	92.8%	\$289,500,764	95.5%	\$307,744,542	97.2%
<u>School Department (Non-Tax Revenues):</u>						
School General Fund (130)	\$17,766,280	89.4%	\$17,190,125	83.1%	\$16,612,971	86.8%
Adult Education (150)	632,834	89.8%	599,478	87.0%	615,479	93.4%
Food Service (230)	2,713,894	76.7%	2,684,098	80.8%	2,788,689	80.4%
Total School (Non-Tax Revenues):	\$21,113,008	87.5%	\$20,473,701	82.9%	\$20,017,139	86.0%
Total City / School:	\$298,313,461	92.4%	\$309,974,465	94.5%	\$327,761,681	96.5%

CITY OF PORTLAND UNASSIGNED FUND BALANCE BUDGETARY BASIS						Projected** June 30, 2017
	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013		
General Fund Balance						
Unassigned	\$ 36,599,104	\$ 33,642,720	\$ 34,414,158	\$ 33,107,652		\$ 36,599,104
Assigned						
Fund Balance Available	\$ 36,599,104	\$ 33,642,720	\$ 34,414,158	\$ 33,107,652		\$ 36,599,104
Subsequent Year Budget:						
General Fund	\$ 186,271,885	\$ 178,524,521	\$ 176,355,473	\$ 170,809,990		\$ 189,306,368
School Department	103,602,884	102,776,657	101,592,669	98,275,361		105,036,238
Less: Excluded Debt Service ¹	(1,754,848)	(1,812,819)	(1,848,452)	(1,885,180)		(1,501,094.40)
Total Expenditures	\$ 288,119,921	\$ 279,488,359	\$ 276,099,690	\$ 267,200,171		\$ 292,841,512
Fund Balance Percentage	12.7%	12.0%	12.5%	12.4%		12.5%
Unassigned Fund Balance	\$ 36,599,104	\$ 33,642,720	\$ 34,414,158	\$ 33,107,652		\$ 36,599,104
Fund Balance Policy - 12.5%	(36,014,990)	(34,936,045)	(34,512,461)	(33,400,021)		(36,605,189)
Excess Fund Balance	\$ 584,114	\$ (1,293,325)	\$ (98,303)	\$ (292,369)		\$ (6,085)
¹ Excluded Debt Service:						
East End - State Share	\$ 647,503	\$ 684,264	\$ 702,223	\$ 719,782		\$ 435,208
Ocean Ave - State Share	1,107,344	1,128,554	1,146,230	1,165,398		1,065,887
Total Excluded Debt Service	\$ 1,754,848	\$ 1,812,819	\$ 1,848,452	\$ 1,885,180		\$ 1,501,094

** June 30, 2017 Projection Assumes 100% of FY17 budgeted expenditures made, 100% of FY17 budgeted revenues received

City Fund Balance Policy Guidelines: "It is the goal of the City to achieve and maintain an unassigned General Fund balance equal to 12.5% of expenditures. The City considers a balance of less than 8.3% to be cause for concern, and will work to restore the balance as soon as possible