

City of Portland, Maine
Finance Committee Meeting
Wednesday, April 25th, 2018
5:30 p.m., Room 209

1. Finance Committee Meeting Agenda

Documents:

[FC AGENDA 04-25-2018.PDF](#)

1.I. FC Meeting Back-Up Materials 4-25-2018

Documents:

[FC MEETING BACK-UP MATERIALS 4-25-2018.PDF](#)

1.II. Permitting And Inspections - Handout + Follow Up Questions And Answers

Documents:

[PERMITTING AND INSPECTIONS - HANDOUT PLUS FOLLOW UP
QUESTIONS AND ANSWERS.PDF](#)

**City of Portland, Maine
Finance Committee Meeting
Wednesday, April 25th, 2018
5:30 p.m., Room 209**

AGENDA

- 1. Introductions**
- 2. FY19 City Manager Recommended Budget Review**
 - a. Facilities and Waterfront**
 - b. Human Resources**
 - c. Permitting & Inspections**
- 3. Future Finance Committee Meeting Dates (all in Room 209 unless otherwise indicated)**
 - a. Thursday, April 26th – 5:30PM (JOINT MEETING WITH SCHOOL DEPARTMENT – COUNCIL CHAMBERS)**
 - b. Thursday, May 3rd – 5:30PM (Public Hearing on FY19 City Manager's Recommended Budget)**
 - c. Wednesday, May 9th (Vote on FY19 City Manager's Recommended Budget and FY19 School Board Proposed Budget - COUNCIL CHAMBERS)**
 - d. City Council Workshop on FY19 Budget – 4:00PM on May 14th**

Facilities & Waterfront Management
FY19 Budget Highlights

4/24/2018

Total Expenditure Request

FY19 City Manager Rec	\$5,019,804
Fy 18 Expenditures	\$5,257,863
\$ Change	(\$238,059)
% Change:	-4.50%
Payroll % of Budget	26.90%

Total Revenue Budget

FY19 City Manager Rec	\$3,459,596
FY18 Budget	\$3,316,518
\$ Change	\$143,078
% Change	4.30%

Total Budget-Net

FY19 City Manager Rec	\$1,559,488
FY18 Budget-Net	\$1,941,345
\$ Change	(\$381,857)
% Change	-19.70% *

***Combined Net with Parks, Rec & Public Assembly is - \$267,621 (-4.8%)**

Revenue Highlights (see attachment for revenue detail)

As of 1/2019 a \$2.00 Infrastructure fee will apply to all passengers*	\$47,800
As of 1/2019 a .50 head tax increase will apply **	\$11,950

* Revenue will go to a reserve fund for pier/facility maintenance

** Based on 23,900 pax Jan/June

Personnel Changes

Added Project Manager with focus on Fire Stations (Change made during current Fiscal Year)	\$57,275
Added 2 MW III to Waterfront (offset by Rev)	\$95,014
Added Waterfront Foreman (offset by Rev)	40,820

Expenditure Highlights

Admin	Will share admin functions with Parks, Rec & Facilities
Buildings	Flat funded, no projects or renovations budgeted
	Reductions reflect the shift of Custodial Workers & supplies to Parks, Rec & PAF

Public Buildings & Waterfront-Major Sources of Revenue

Hadlock Stadium (35-05)	FY18 Budget	FY19 CM Rec
Rent	125,000	150,000
Utility Reimbursements	186,000	186,000
	311,000	336,000
		25,000
Waterfront (35-09)		
Rent	185,000	209,000
Utility Reimbursements	130,000	155,000
Cruise Ships	1,376,000	1,734,000
Ferry Service	97,000	195,000
Misc Berthing	108,000	121,000
IMT Lease	96,000	118,000
	1,992,000	2,532,000
		540,000
School HVAC (35-12)		
Reimbursement	522,000	522,000
		-

**Human Resources Department
FY19 Budget Request Highlights**

Total Expenditure Request

**Payroll % of Budget:
82.3%**

FY19 Expenditure Request	\$1,063,158
FY18 Expenditure Request	\$1,035,380
\$ Change	\$ 27,778
% Change	2.68%
Payroll	4.03%
Other Expenses	3.14%-

Total Revenue Budget

FY19 Budget	\$ 76,056-
FY18 Budget	\$ 118,043-
\$ Change	\$ 41,987
% Change	35.57-%

Total Budget - Net

FY19 Budget - Net	\$ 987,102
FY18 Budget - Net	\$ 917,337
\$ Change	\$ 69,765
% Change	7.61%

Expenditure Change Highlights

Personnel Changes

-1.0	WC & Safety Program Manager	\$ 77,493-
1.0	Director of Occupational Health & Safety	\$ 75,992

Revenue Change Highlights - N/A

Health Insurance (12% increase effective July 1, 2018-June 30, 2019)

Full-Time 30+ Hrs

<u>Plan</u>	<u>Current Deduction</u>	<u>New Deduction</u>	<u>Weekly Increase</u>	<u>Monthly Rates*</u>
Employee Only	\$ 0.00	\$ 0.00	\$ 0.00	\$ 791.81
Employee & Child(ren)	\$ 53.67	\$ 60.11	\$ 6.44	\$1,346.03
Employee & Adult	\$ 76.67	\$ 85.87	\$ 9.20	\$1,583.56
Employee, Adult & Child(ren)	\$130.35	\$145.99	\$15.64	\$2,137.83

Part-Time < 30 Hrs (must work minimum 18.75 hours to be benefit eligible)

<u>Plan</u>	<u>Current Deduction</u>	<u>New Deduction</u>	<u>Weekly Increase</u>	<u>Monthly Rates*</u>
Employee Only	\$ 53.84	\$ 60.30	\$ 6.46	\$ 791.81
Employee & Child(ren)	\$145.19	\$162.32	\$17.43	\$1,346.03
Employee & Adult	\$184.34	\$206.46	\$22.12	\$1,583.56
Employee, Adult & Child(ren)	\$275.71	\$308.79	\$33.08	\$2,137.83

*Monthly rates are the combination of the City's and employee's contributions.

Completion of Wellness Activities (impacts employee only portion of rate)

Complete 5 of 5 activities	\$ 0.00	\$ 0.00
Complete 4 of 5 activities	\$ 4.89	\$ 5.44
Complete 3 of 5 activities	\$ 9.76	\$10.96
Complete 2 of 5 activities	\$14.67	\$16.44
Complete 1 of 5 activities	\$19.56	\$21.92
Complete 0 of 5 activities	\$24.47	\$27.41

Dental Insurance (0% increase for July 1, 2018 – June 30, 2019 – second year rate hold)

<u>Current Plan</u>	<u>Weekly Deduction</u>	<u>Monthly Rates</u>
Single	\$ 8.44	\$ 36.56
Two-Person	\$ 20.45	\$ 88.60
Family	\$ 25.20	\$109.21

Prepared for April 9, 2018

Aetna Reporting – FY18 to FY17 (7/1/17-2/28/18 to 7/1/16-2/28/17):

Current Demographics: 1,343 employees/COBRAs, 2,581 members (includes employees/COBRAs and covered dependents), 51% male, 49% female, average age = 35.3

Total Medical & Rx Paid Amounts - \$12,834,736 to \$9,566,837 – increase of \$2,817,899

Medical Paid Amounts - \$10,564,272 to \$8,325,962 – increase of \$2,238,310

2,493 filing medical claims

Admissions/1,000 members – 52 to 41 – increase of 11

Days of care/1,000 members – 262 to 150 – increase of 112

Average length of stay – 5.0 to 3.6 – increase of 1.4

Inpatient paid amount per member - \$1,448 to \$776 – increase of \$672 paid amount per member – 86.6% increase over prior period

Inpatient costs major driver for increase in medical paid amount FY18 to FY17 – average paid amount per admission increased 49.0% from \$18,718 to \$27,893

Aging workforce – age 45 & above members represent 38% of the health plan's population and account for 53% of the medical paid amounts

Impact of medical catastrophic claimant experience (viewed on 2 thresholds):

Claimants exceeding \$100,000

FY18 – 12 members with total medical paid amount of \$2,163,141; \$1,724,271 inpatient paid amount and \$438,871 ambulatory paid amount

Compared to

FY17 – 5 members with total medical paid amount of \$712,492; \$368,474 inpatient paid amount and \$344,018 ambulatory paid amount

Claimants exceeding \$75,000

FY18 – 17 members with total medical paid amount of \$2,616,230; \$1,995,344 inpatient paid amount and \$620,886 ambulatory paid amount

Compared to

FY17 – 16 members with total medical paid amount of \$1,671,663; \$839,857 inpatient paid amount and \$831,806 ambulatory paid amount

For FY18 claimants exceeding \$75,000 in medical costs, 17 members (less than 1%) are driving close to 25% of medical paid amount for current FY18 - \$2,616,230 out of \$10,564,272 medical paid dollars

Rx Paid Amounts - \$1,584,359 to \$1,065,519 – increase of \$518,840

Note: FY18 Rx costs include 2 members with 3 months each of high cost hepatitis C medications – 1 member @ \$95,000 paid amount and another member @ \$75,000 paid amount (total for 2 members of \$170,000)

Rx & Medical Rx % of Total Claims - \$2,665,606 (21.5%) to \$1,906,952 (19.9%) – groups are seeing Rx & Medical Rx % of total claims at 25%

Generic Rx Paid Amount = \$535,431

Brand Single Source Paid Amount = \$1,235,883

Brand Multi-Source Paid Amount = \$49,150

1,834 members utilizing Rx

Generic utilization = 84.9%

Generic substitution = 98.9%

Brand utilization = 15.1%

Prepared for 4/9/2018

FY 18 MONTHLY HEALTH INSURANCE EXPERIENCE

MONTH	EXPENDITURES	REVENUES	NET EXPENDED	VARIANCE
July 2017	\$1,474,724.36	\$251,704.94	\$1,223,019.42	\$20,104.00
August 2017	\$1,966,774.64	\$259,320.84	\$1,707,453.80	(\$464,330.38)
September 2017	\$1,384,659.67	\$323,767.15	\$1,060,892.52	\$182,230.90
October 2017	\$1,359,474.75	\$263,026.98	\$1,096,447.77	\$146,675.65
November 2017	\$1,900,964.80	\$258,423.23	\$1,642,541.57	(\$399,418.15)
December 2017	\$1,338,404.74	\$131,449.56	\$1,206,955.18	\$36,168.24
January 2018	\$2,293,030.24	\$248,135.71	\$2,044,894.53	(\$801,771.11)
February 2018	\$1,526,885.66	\$253,172.91	\$1,273,712.75	(\$30,589.33)
March 2018	\$1,414,118.68	\$312,272.56	\$1,101,846.12	\$141,277.30
April 2018				
May 2018				
June 2018				
TOTALS:	\$14,659,037.54	\$2,301,273.88	\$12,357,763.66	(\$1,169,652.88)

Net Expended = expenditures - revenues
 Net Variance = net budgeted - net expended

Net Expended average per month \$1,373,084.85
 Net Budgeted average per month \$1,243,123.42
 Net Average Monthly Variance (\$129,961.43)

Net Budgeted = Medical Budget of \$18,056,340
 - budgeted revenues of \$3,138,859 divided by 12 mos.

Note: Revenues for December 2017 less than normal reflect no employee deductions for 3 pay days (health insurance reserve).



Permitting and Inspections Department
Michael A. Russell, MS, Director

Permitting & Inspections Department FY19 Budget

Finance Committee Budget Review

Total Expenditure Request:

FY19 Expenditure Request	\$ 1,759,712
FY18 Expenditure Request	\$ 1,644,152
\$ Change	\$ 115,560
% Change	7.03%
Payroll*	4.52%
Other Expenses	2.51%

Total Revenue Request:

FY19 Revenue Request	\$ 4,440,336
FY18 Revenue Request	\$ 4,365,465
\$ Change	\$ 74,901
% Change	1.7%

Total Budget - Net:

FY19 Net	\$ 2,680,624
FY18 Net	\$ 2,721,313
\$ Change	(\$ 40,689)
% Change	(1.49%)

Significant expenditure factors:

- Salary increases, 2% COLA's and Step increases only, no FTE change (\$67,635)
- Addition of contractual temp services for Microfiche conversion project, not included in salaries (\$19,000)
- Contracted short term rental monitoring service (\$29,995)
- *Note: Payroll is 89.3% of overall budget

Significant revenue factors:

- Increase in Business License application fees in FY19 (\$14,970)
- Implementation of delegated fire plan review from State Fire Marshal's office (\$10,000)
- Increase in Business License activity (\$49,181)



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Questions from the April 25, 2018 Finance Committee and Answers

Q1. How is the \$4.4 million of permitting revenue broken down?

A1. \$2,605,000 = Permit Fees (Includes Building, Electric and Plumbing)
\$1,181,881 = Business License Fees
\$539,815 = Rental Registrations

Q2. How much have we received from Air BNB [STR]?

A2. We do not receive any revenue directly from AirBNB. There is currently no local option tax available to municipalities within Maine. If the question is referring to how much we collect related to the City's short term rental registration program, that revenue is approximately \$120k through May 2018.

Q3. How much revenue was collected per number of units per building?

A3. Our system does not track revenue by # of building units. However we can provide a breakdown of the population based on # of units.

# of Units	# Reg
1	398
2	72
3	18
4	3
5	2
Total	493

Q4. On Building Permits - how much extra revenue would we have generated if we had charged 1.6% instead of 1.5%?

A4.

FY17 =	\$ 238,018.95
FY18 =	\$ 192,980.76 as of 4/26/18
	\$ 430,999.71

Q5. When was the last time these fees (Business Licensing) were raised?

A5. It varies by the license. Many licenses were last raised on July 5, 2015. Taxi licenses were last raised prior to 2003. Please see the Business Licenses worksheet for detail.

Q6. Can you provide examples of several recent large plan review projects and time it took for review etc?

A5. Yes - see the Plan Review Examples page for details

Q5 Licenses Worksheet

100 2504 322 00 00		
Last Increased	Licenses and Permits / Business Licenses	Fee
	DBA REGISTER BUSINESS NAME (STATE SET FEE*):	10.00
	*TITLE 30A SECTION 2652(1H) MAINE STATE STATUTE	
	Chapter 10 FIRE PERMITS ORD (10-18)	
7/5/2015	CUTTING & WELDING (PERM FACILITIES)	62.00
7/5/2015	FLAMMABLE/COMBUST LIQ (EXCL MOTOR)	166.00
7/5/2015	HAZARDOUS MATERIALS	62.00
7/1/2016	TIER II HAZARDOUS MATERIALS	250.00
7/5/2015	MOTOR FUEL DISPENSE/REFUELING	166.00
7/5/2015	SPEC'L DISPENSE (EXCL FLAME LIQ)	166.00
7/5/2015	REPAIR GARAGE/SVC STATIONS	166.00
7/5/2015	WOODWORKING & LUMBER STORAGE PLANTS	104.00
7/5/2015	SPRAYING OR DIPPING FLAMMABLE	166.00
	* FY16 CO #245-14/15 (Except Tier II)	
	* Tier II only FY17 CO #253-15/16	
	Chapter 15 LICENSES & PERMITS (15-6)	
7/1/2010	NEW APPLICATION FEE	35.00
7/1/2010	RENEWAL FEE APPLICATIONS	25.00
Unknown	LICENSE APPEAL FEE	25.00
	LATE FEES/BUSINESS LICENSES	% Varies
7/1/2010	GAMES OF CHANCE	35.00
	Chapter 15 LICENSES & PERMITS (15-12)	
	*FY18 FEE CHANGES: CO #111-17/18 AND 18-17/18	
	FEES FOR CITY LICENSES PURSUANT TO CITY CODE	
4/20/2016	BREWERY/WINERY/DISTILLERY(NEW FY17)	500.00
	CO# 180-15/16	
	AMUSEMENT DEVICES:	
7/5/2015	ADULT AMUSEMENT DEVICES ESTABLISHMENT	931.00
7/5/2015	PINBALL	146.00
	MUSIC,DANCING,AND SPECIAL ENTERTAINMENT:	
7/5/2015	ENTERTAINMENT WITH DANCE	504.00
7/5/2015	ENTERTAINMENT W/OUT DANCE	281.00

Last Increased	Licenses and Permits / Business Licenses	Fee
7/5/2015	AFTER HOURS ENTERTAINMENT	567.00
7/5/2015	DANCE HALL/ CONCERT HALL	140.00
7/5/2015	CONCERT / DANCE (SINGLE)	36.00
7/5/2015	NUDE ACTIVITY	1,404.00
	FOOD SERVICE ESTABLISHMENT FSE (TEMPORARY):	
7/5/2015	FSE TEMP FOOD SERVICE PERMIT	89.00
	MOBILE FSE:	
7/5/2015	PUSHCART	307.00
7/5/2015	FOOD TRUCK	520.00
7/5/2015	PUSHCART-COOLER STORAGE	36.00
7/5/2015	NIGHT VENDOR	208.00
7/5/2015	TRANSIENT SALES	104.00
	FOOD SERVICE ESTABLISHMENT FSE (ANNUAL):	
7/5/2015	FSE W/OUT PREP	172.00
7/5/2015	FSE W/PREP	437.00
7/5/2015	BEER/WINE TAKEOUT	395.00
	LIQUOR LICENSES:	
7/5/2015	CLASS A LOUNGE	2,642.00
7/5/2015	CLASS I/QUALIFIED CATERING FSE	1,784.00
7/5/2015	CLASS I-A FSE INN 41+	2,132.00
7/5/2015	CLASS II FSE (SPIRITS)	582.00
7/5/2015	CLASS III & IV (BEER&WINE)	863.00
7/5/2015	CLASS III FSE (WINE ONLY)	390.00
7/5/2015	CLASS IV FSE (BEER)	785.00
7/5/2015	CLASS IV/V NON-PROFIT	702.00
7/5/2015	CLASS XI REST / LOUNGE	2,215.00
7/5/2015	LIQUOR CATERING PERMIT OFF PREMISES	31.00
7/5/2015	FSE AUDITORIUM	556.00
7/5/2015	FSE CIVIC AUDITORIUM	1,763.00
1/1/2014	*FARMER'S MARKET: 1 * \$4,100	100/vendor

Last Increased	Licenses and Permits / Business Licenses	Fee
	*CO# 159-12/13	
11/20/2017	FARMER'S MARKET ON PRIVATE PROPERTY	25/VENDOR
	* CO# 111-17/18	
7/5/2015	OPERATION OF RENDERING FACILITIES	250.00
	MASSAGE LICENSES:	
7/5/2015	MASSAGE ESTABLISHMENT	68.00
7/5/2015	MASSAGE ESTAB / THERAPST	52.00
7/5/2015	MASSAGE THERAPIST	36.00
7/5/2015	SECOND HAND DEALER	146.00
7/5/2015	FLEA MARKET SELLER	21.00
7/5/2015	FLEA MARKET OPERATOR	234.00
7/5/2015	TOWING COMPANY LICENSE	265.00
7/5/2015	JUNK COLLECTOR	25.00
	FEES FOR CITY LICENSES PURSUANT TO STATE LAW	
7/5/2015	POOL TABLES (NON-MECHANICAL)	31.00
7/5/2015	BOWLING ALLEY	88.00
7/5/2015	CIRCUS PER DAY NON-PROFIT	26.00
	MOVIE THEATRES:	
7/5/2015	THEATRE LESS THAN 999	281.00
7/5/2015	SKATING (ROLLER RINK)	156.00
	* FY16 CO #246-14/15	
	G) ORD SEC 25-27 (A1) &(A5) STREETS & SIDEWALKS:	
7/5/2015	1) SIDEWALK PERMIT: 6 * \$88	88.00
7/5/2015	2) STREET GOODS VENDOR: 664* \$36	36.00
	* FY16 CO #247-14/15	
	H) ORD CHAPTER 28 ART.VII SEC.28-273 (A)&(B)	
7/5/2015	1) VALET PARKING: 4 * \$260	260.00
	* FY16 CO #248-14/15	
	CHAPTER 15 (15-12)	
12/16/2015	LICENSING OF BOOTING MOTOR VEHICLES: 3 * \$100	100.00
	* FY16 ORDER #109-15/16	

Last Increased	Licenses and Permits / Business Licenses	Fee
	TAXI, LIVERY & TOUR APPLIC FEES(ORD 15-6):	
Prior to FY'03	TAXI DRIVER LICENSE FEES (CHPT 15-12 FEE):	75.00
Prior to FY'03	TAXI BUSINESS LICENCES (CHPT 15-12 FEE):	300.00
	TOUR COMPANIES (CHPT 15-12 FEE):	
4/20/2016	COMPANIES: 1 * \$300	300.00
4/20/2016	ADD'L TOUR VEHICLES: 12 * \$30	30.00
4/20/2016	TOUR DRIVERS (CHPT 15-12 FEE)	30.00
	CO# 181-15/16	
Unknown - b/w FY03 and 04	LIVERY COMPANIES (CHPT 15-12 FEE):	
Unknown - b/w FY03 and 04	COMPANIES	300.00
Unknown - b/w FY03 and 04	DRIVERS (CHPT 15-12 FEE)	20.00
	BICYCLE CABS (CHPT 15-12 FEE):	
7/5/2015	COMPANIES	100.00
7/5/2015	DRIVERS (CHPT 15-12 FEE)	20.00
	HORSE DRAWN CABS	
7/5/2015	COMPANIES	200.00
7/5/2015	DRIVERS	20.00
2/27/2008	K) OUTDOOR DINING COMBINED WITH BUSINESS LICENSE	\$80 + \$2.00/s.f. Streets,
	MOVED FROM 100-2502-326-0300 DURING FY'18	\$80 + \$6.00/s.f. Parks
	(CHPT 25-27 FEE)	
	CO# 93-07/08	

Q6 Plan Review Example

Permit #	Address	Project Description	Date Paid	Date Approved	Days Information Missing	Days In Review
201800088	252 Commercial St	Well Fargo - interior demo and renovation	01/24/18	02/13/18	6	9
201701620	Hancock St	Wex - piles, foundation and steel	10/17/17	10/27/17	2	7
201701518	50 India St	cPort Credit Union - new 4 story mixed use structure	10/12/17	12/05/17	16	23
201701868	22 Free St	Tenant fit up for Jibe Spin Studio	11/28/17	01/09/18	16	15
201800286	0 Free St/45 Spring St	Parking garage alterations	03/05/18	04/04/18	1	22
201800176	22 Bramhall St	Renovations to MRI unit (MMC)	02/13/18	02/27/18	2	9
201702002	2211 Congress St	Interior renovations - UNUM	01/13/18	02/02/18	2	13

*10/12/17 - Date of site plan approval