

# Town of Falmouth, Maine Proposed FY2020 – 2021 Budget



# FY2021 Budget Challenges

- ▶ Fire Department – staff increases to maintain service levels
  - Budget adds 12–14 full time Fire Fighter/EMS positions
- ▶ Staff Wage increases
  - 2.5% COLA
  - Added Administrative Analyst and Parks Maintenance position
- ▶ Communication Costs
  - Per the Communications Plan
- ▶ Benefit Cost Increases
  - Workers Comp and Health Insurance
- ▶ Building Security Enhancements
- ▶ Library Budget Request

# FY2021 Solutions

- ▶ Non-Property Tax Revenues were projected to grow \$405K including \$184K in auto excise tax Increases and \$140K in interest earnings. Finance Committee proposed adding new mooring revenue of \$49K through implementing staff recommended mooring fee increase. This increased projected revenue growth to \$454K.
- ▶ The Budget base case projected operating expense to grow \$534K or 6.5%. Finance Committee asked staff to make an additional \$182K in budget cuts to reduce operating expense growth to \$352K or 2.6%.
- ▶ The Finance Committee proposed an increase in bag fees large enough to cover all costs of solid waste disposal. This reduced the collection fee line item to zero and further reduced operating expense growth. This reduced operating expense growth to \$185K or 1.4%.

# FY2021 SOLUTIONS

	2020 BUDGET	2021 BUDGET	VARIANCE	%
Base Case Operating Expense	13,549,766	14,083,402	533,636	3.9%
Operating Expense Reductions		(348,747)		
Proposed Operating Expense	13,549,766	13,734,655	184,889	1.4%
Base Case Non-Tax Revenue	6,238,045	6,643,595	405,550	6.5%
Mooring Fee Increase		48,920		
	6,238,045	6,692,515	454,470	7.3%
Overlay	20,093	20,093	-	0.0%
Proposed Base Property Tax Requirement	7,331,814	7,062,233	(269,581)	-3.7%
Fire/EMS Expansion		1,372,104		
Library Budget Request		52,565		
Proposed Property Tax Requirement	7,331,814	8,486,902	1,155,088	15.8%
Valuation (\$000)	2,328,815	2,353,228	24,413	1.0%
Estimated Tax Rate	3.15	3.61	0.46	14.5%

# FY2021 SOLUTIONS

	2020 BUDGET	2021 BUDGET	VARIANCE	%
<b>Base Case Operating Expense</b>	<b>13,549,766</b>	<b>14,083,402</b>	<b>533,636</b>	<b>3.9%</b>
Correct GPCOG Dues		(447)	(447)	
Reduce Annual Banquet Costs		(2,800)	(2,800)	
Move GIS Expense to TIFs		(8,000)	(8,000)	
Reduce Open Space Appropriation		(90,000)	(90,000)	
Reduce Social Services Funding		(15,000)	(15,000)	
Eliminate 2 Town-Wide Mailings, 2 remain		(8,000)	(8,000)	
Reduce Employee Professional Development		(2,500)	(2,500)	
Reduce Contingency Funds		(10,000)	(10,000)	
Delay Gym Floor Replacement at MM		(45,000)	(45,000)	
<b>Total Reductions</b>		<b>(181,747)</b>	<b>(181,747)</b>	<b>-1.3%</b>
Bag Fee increase to eliminate Collection Fees		(167,000)	(167,000)	
<b>Final Operating Expense Proposal</b>	<b>13,549,766</b>	<b>13,734,655</b>	<b>184,889</b>	<b>1.4%</b>
<b>Base Case Non-Tax Revenue</b>	<b>(6,238,045)</b>	<b>(6,643,595)</b>	<b>(405,550)</b>	<b>6.5%</b>
Mooring Fee Increase		(48,920)		
<b>Final Revenue Proposal</b>	<b>(6,238,045)</b>	<b>(6,692,515)</b>	<b>(454,470)</b>	<b>7.3%</b>
<b>Overlay</b>	<b>20,093</b>	<b>20,093</b>	<b>-</b>	<b>0.0%</b>
<b>Proposed Base Net From Property Taxes</b>	<b>7,331,814</b>	<b>7,062,233</b>	<b>(269,581)</b>	<b>-3.7%</b>
<b>Total Fire/EMS Operating Expense Increase</b>		<b>1,372,104</b>		
<b>Library Budget Request Increase</b>		<b>52,565</b>		
<b>Proposed Property Tax Requirement</b>	<b>7,331,814</b>	<b>8,486,902</b>	<b>1,155,088</b>	<b>15.8%</b>
<b>Valuation (\$000)</b>	<b>2,328,815</b>	<b>2,353,228</b>	<b>24,413</b>	<b>1.0%</b>
<b>Estimated Tax Rate</b>	<b>3.15</b>	<b>3.61</b>	<b>0.46</b>	<b>14.5%</b>

**Town of Falmouth  
Public Works Disposal Bags/Compost Bin Fund Expenditure Schedule  
2020 - 2021 Budget  
Fund 220**

<b>2020 Beginning Balance</b>	490,437	<b>2021 Beginning Balance</b>	460,312
Revenues:		Revenues:	
3521 Miscellaneous Revenue	465,000	3521 Miscellaneous Revenue	629,000
3600 Federal Grant Revenue	-	3600 Federal Grant Revenue	-
3700 State Grant Revenue	5,000	3700 State Grant Revenue	-
3800 Private Grant Revenue	-	3800 Private Grant Revenue	-
3MWC Compost Bin Revenue	1,200	3MWC Compost Bin Revenue	1,200
<b>Total</b>	471,200	<b>Total</b>	630,200
Expenses		Expenses	
4010 Full-Time Salaries	-	4010 Full-Time Salaries	-
4020 Part-Time Salaries	-	4020 Part-Time Salaries	-
4030 Overtime	-	4030 Overtime	-
4050 Health Insurance	-	4050 Health Insurance	-
4060 Retirement	-	4060 Retirement	-
4061 Retirement Health Savings	-	4061 Retirement Health Savings	-
4070 Social Security	-	4070 Social Security	-
83WC Compost Bin Expense	1,200	83WC Compost Bin Expense	1,200
5900 Other Contractual Services	-	5900 Other Contractual Services	-
6900 Other Commodities	-	6900 Other Commodities	-
8300 Expense (Detail Below)	500,125	8300 Expense (Detail Below)	695,336
<b>Total</b>	501,325	<b>Total</b>	696,536
Change in Fund Balance	(30,125)	Change in Fund Balance	(66,336)
<b>2020 Ending Balance</b>	<b>460,312</b>	<b>2021 Ending Balance</b>	<b>393,976</b>

**Account 8300 Expense Detail:**

**NOTE: PLEASE FILL IN ACCOUNT 8300 DETAIL BELOW. TOTAL WILL FILL 8300 EXPENSE ABOVE**

1 ECO Maine Tipping Fees	213,000	1 ECO Maine Tipping Fees	208,500
2 Trash Collection Costs (7 months)	231,650	2 Trash Collection Costs (12 months)	398,650
3 Trash Bags	45,000	3 Trash Bags	77,143
4 Sales Tax	2,475	4 Sales Tax	4,243
5 Organics Recycling	5,000	5 Organics Recycling	3,800
6 Recycle Bins	3,000	6 Recycle Bins	3,000
7		7	
8		8	
<b>Total 8300</b>	<b>500,125</b>	<b>Total 8300</b>	<b>695,336</b>

# Falmouth Fee Structure- Proposed

<u>Current</u>	<u>Proposed</u>
▶ Resident-\$60	\$100
▶ Non-Resident-\$260	\$300
▶ HBS-\$60	\$120
▶ PYC-\$60	\$120
▶ Generates \$215K in annual Revenue	
◦ \$48K increase covers operating expense shortfall plus annual capital contribution toward pier replacement.	



## Fee Comparison with Amenities

	Falmouth	Yarmouth	Freeport	Kittery	Wells	Portland	Cumberland
Resident	\$100	\$155	\$96+	\$200+	\$300+	\$80	\$50
Non-Resident	\$300	\$230	\$391+	\$200+	\$300+	\$160	\$250
For Profit	\$120	\$480	\$180				

AMENITIES							
Water	Y	N	Y	Y	Y	N	N
Power	Y	Y	Y	Y	Y	N	N
Sewage	Y	N	N	N	N	N	N
Bathroom	Y	Y	Y	Y	Y	Y	N
Parking	Y	Y	N	N	Y	N	N



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Estimated Tax Rate	3.15	3.61	0.46	14.5%

## Budgeted Property Mil Rate Town FY2020 and FY2021

Estimate Valuation based on 1% Growth

	FY20	FY20	\$ Change	% Change
Expenditures	13,549,766	15,159,325	1,609,559	11.9%
Overlay	20,093	20,093	0	0.0%
Non-tax revenues	(6,238,045)	(6,692,515)	(454,470)	-7.3%
Net from property taxes	7,331,814	8,486,903	1,155,089	15.8%
Valuation (thousands)*	2,329,450.3	2,353,228.1	23,777.8	1.0%
Mil rate (PROPOSED at Budget)	3.15	3.61	0.46	14.6%

\* Adjusted for BETE and Homestead

## IMPACTS IN EXPENDITURES

### FY21 BUDGET vs FY20 BUDGET

FULL-TIME SALARIES/SOC SECURITY	751,434	2.5% COLA, added 8 FF/EMS July, 6 FF/EMS Jan, Admin Analyst, Parks Maint. Jan '21
PART-TIME SALARIES	363,899	Fire Department Per Diem adds, 2 Station 4, 4 to cover Jan hires for FF/EMS July-Dec
HEALTH INSURANCE	236,590	4.6% overall rate Increase, employee additions
RETIREMENT	97,896	Wage increases, added new employees, .1% rate increase
LIBRARY CONTRIBUTION	69,756	Library budget request, return to full operation
OVERTIME	67,723	OT to cover sick/vac for new FF/EMS staff
EQUIPMENT	56,950	Gear to outfit 14 new FF/EMS Full-Time Staff (\$75K), computer purchase reductions
LEGAL ADS - NOTICES	49,500	Increase due to new Town Communications plan
WORKERS COMPENSATION	32,815	Increase due to increase experience rate
METRO ASSESSMENT	23,896	Final phase-down of federal grant support for Route 7 - Falmouth portion.
TRASH COLLECTION FEES	(164,000)	Bag Fee increase to convert to 100% user-funded
OTHER	23,099	Primarily FD Uniforms for new hires (\$16K)
<b>TOTAL</b>	<b>1,609,558</b>	

# IMPACTS IN REVENUE

## FY21 BUDGET TO FY20 BUDGET

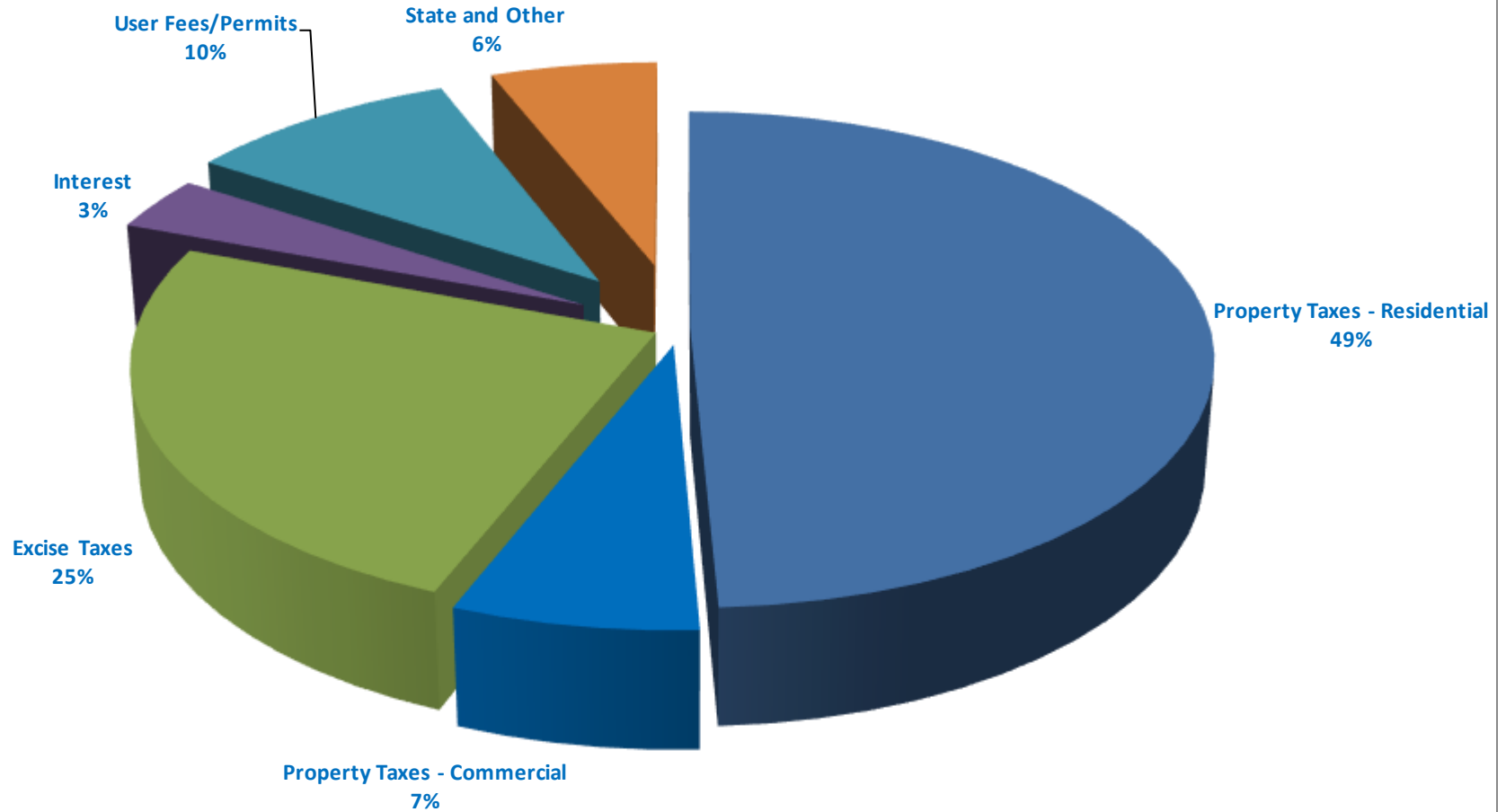
AUTO EXCISE TAX	184,505
INTEREST INCOME	140,500
MOORING FEES	54,445
AMBULANCE CHARGES	28,281
STATE REVENUE SHARING	23,706
PENALTY INTEREST	20,711
OTHER	2,322
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	454,470

# SUMMARY: Mil Rate Impact

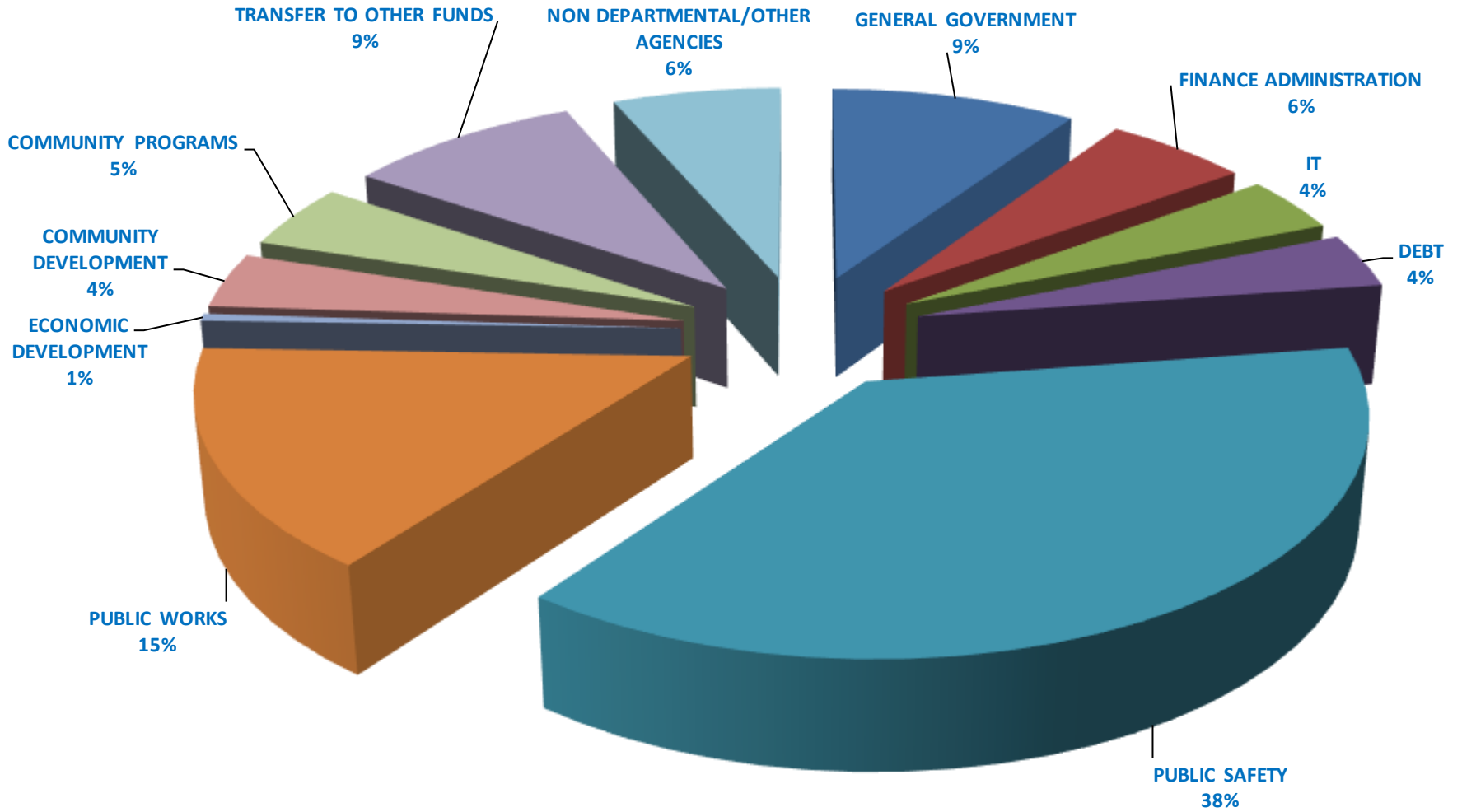
MUNICIPAL ONLY (Excludes School and County)

Net Expense Increase	1,609,558	0.68
Increased Revenue	(454,470)	(0.19)
Municipal Share of New Added Valuation	(70,597)	<u>(0.03)</u>
Total Mil Rate Impact		0.46

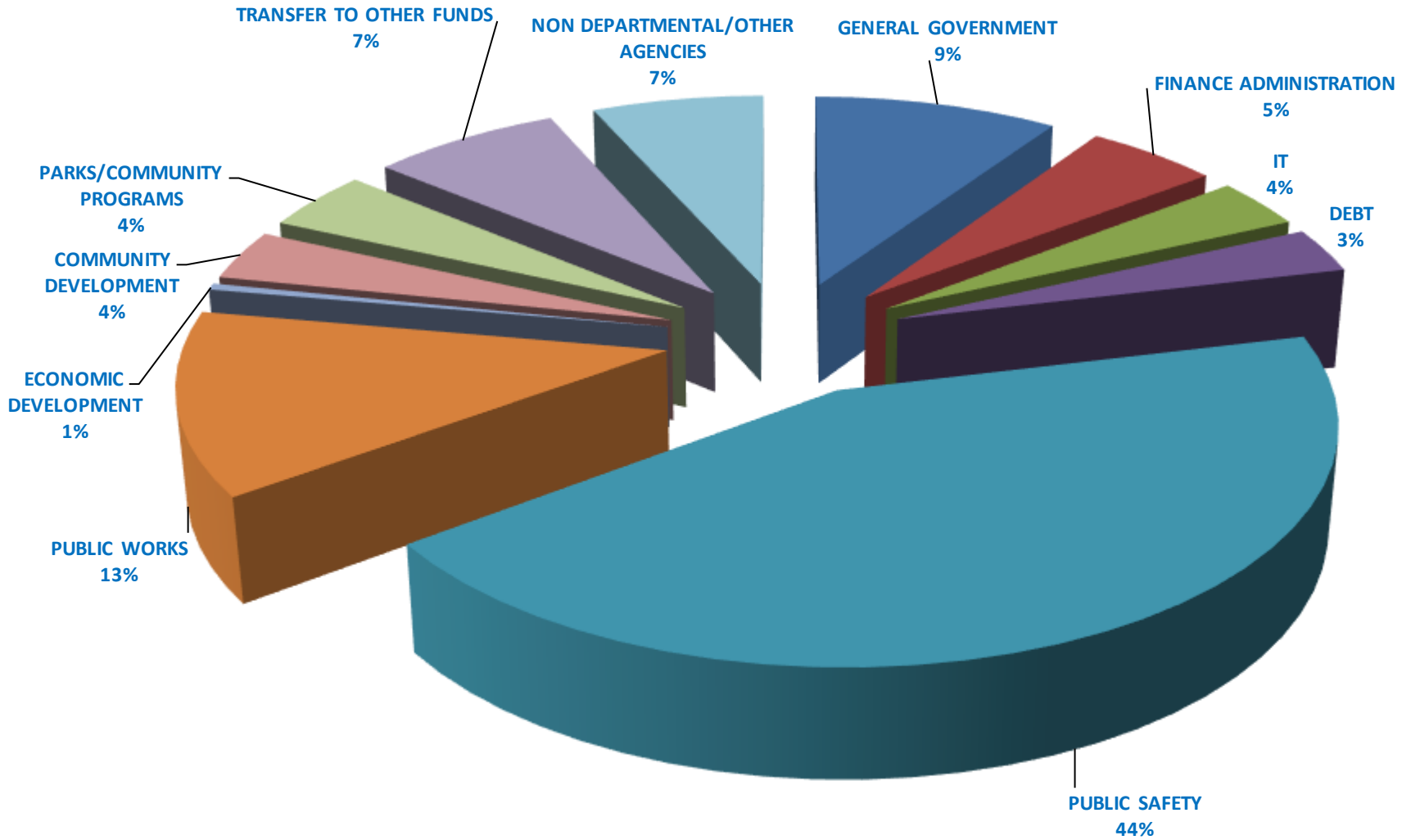
# Town of Falmouth Sources of Revenue



# Town of Falmouth FY20 Budget



# Town of Falmouth FY21 Budget

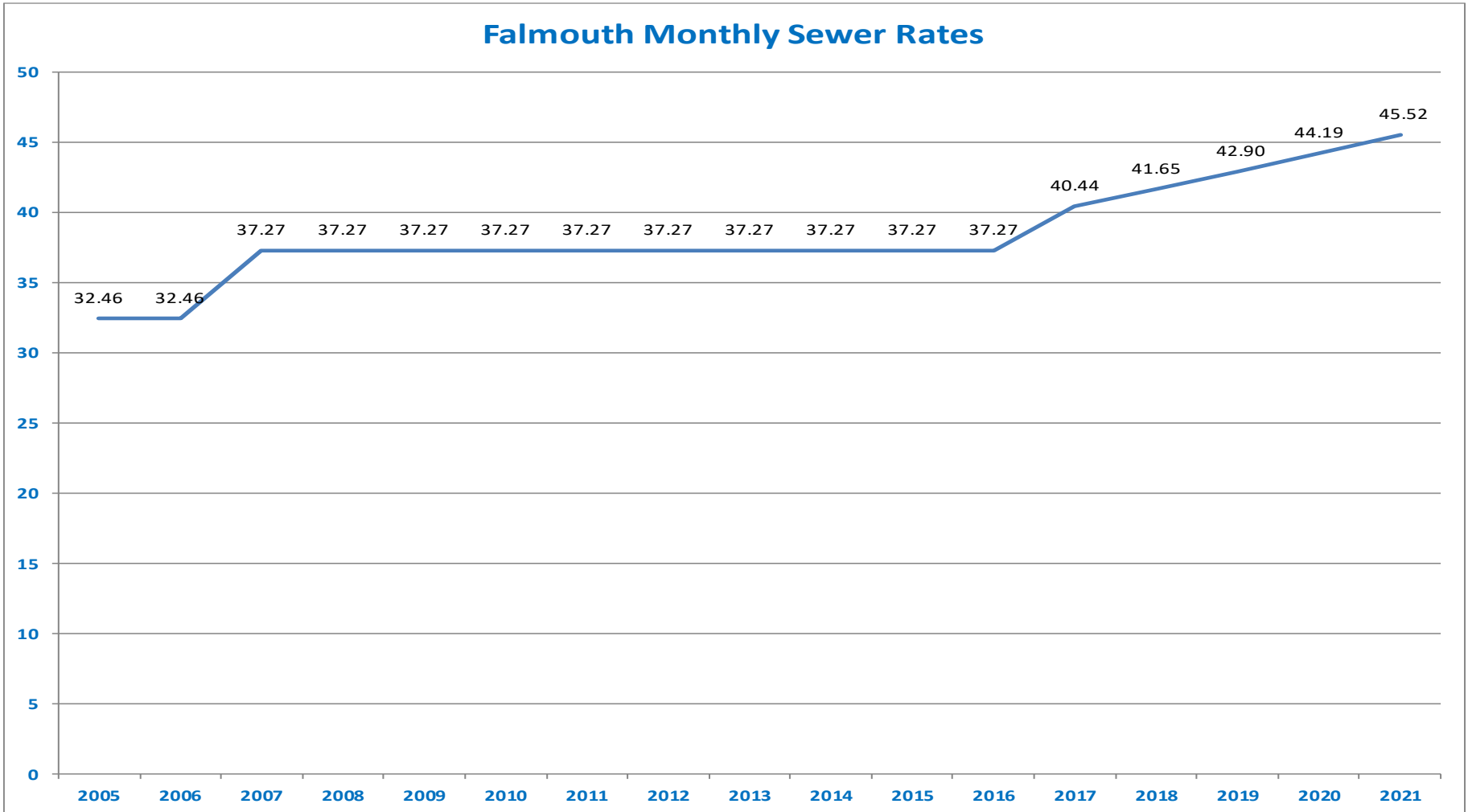




# Wastewater FY21 Budget

- ▶ Proposed Operating Expense of \$2,771,291 is \$362,984 or 16.6% higher than the FY20 Budget
  - Increase Debt Service for West Falmouth Sewer expansion of \$333,174 is the majority of the increase
  - Excluding Debt Service, increase is \$29,810 or 1.24%
  - Budget and projected fund balance is consistent with 10 year rate plan
    - Budget includes a 3% user rate increase from \$44.19 to \$45.51

## Falmouth Monthly Sewer Rates



16 year average sewer rate growth = 2.2%

2019 Average Maine Town and City Sewer Rate = \$60.13 2019 Falmouth Sewer Rate = \$44.19 a difference of \$15.94

# Wastewater Rate comparison

Municipality	Date Last Increase	% Increase	Annual Rate	Monthly Rate
Augusta	2019	-29.0%	\$ 348.96	\$ 29.08
Scarborough	2013	20.0%	\$ 396.00	\$ 33.00
Auburn	2016	15.0%	\$ 441.44	\$ 36.79
Kennebunkport	2018	3.0%	\$ 456.00	\$ 38.00
North Berwick	2018	10.0%	\$ 528.00	\$ 44.00
Curent Falmouth	2019	3.0%	\$ 530.28	\$ 44.19
Proposed Falmouth	2020	3.0%	\$ 546.19	\$ 45.52
Wells	2013	3.8%	\$ 610.00	\$ 50.83
South Portland	2019	1.8%	\$ 651.48	\$ 54.29
Gardiner	2018	4.0%	\$ 694.72	\$ 57.89
Sanford	2016	2.7%	\$ 700.00	\$ 58.33
Ogunquit	2015	4.0%	\$ 748.00	\$ 62.33
York	2018	7.0%	\$ 768.48	\$ 64.04
Windham	2018		\$ 797.52	\$ 66.46
Kennebunk	2019	3.4%	\$ 800.04	\$ 66.67
Westbrook	2020		\$ 928.20	\$ 77.35
Gorham	2018		\$ 877.44	\$ 73.12
Cumberland	2018		\$ 1,068.36	\$ 89.03
Cape Elizabeth	2018		\$ 1,237.44	\$ 103.12
Portland	2019		\$ 1,302.96	\$ 108.58
Average			\$ 721.58	\$ 60.13
Median				\$ 58.33

## Property Mil Rate Calculation 2020-21

### Projected Valuation Numbers

#### Proposed Budget

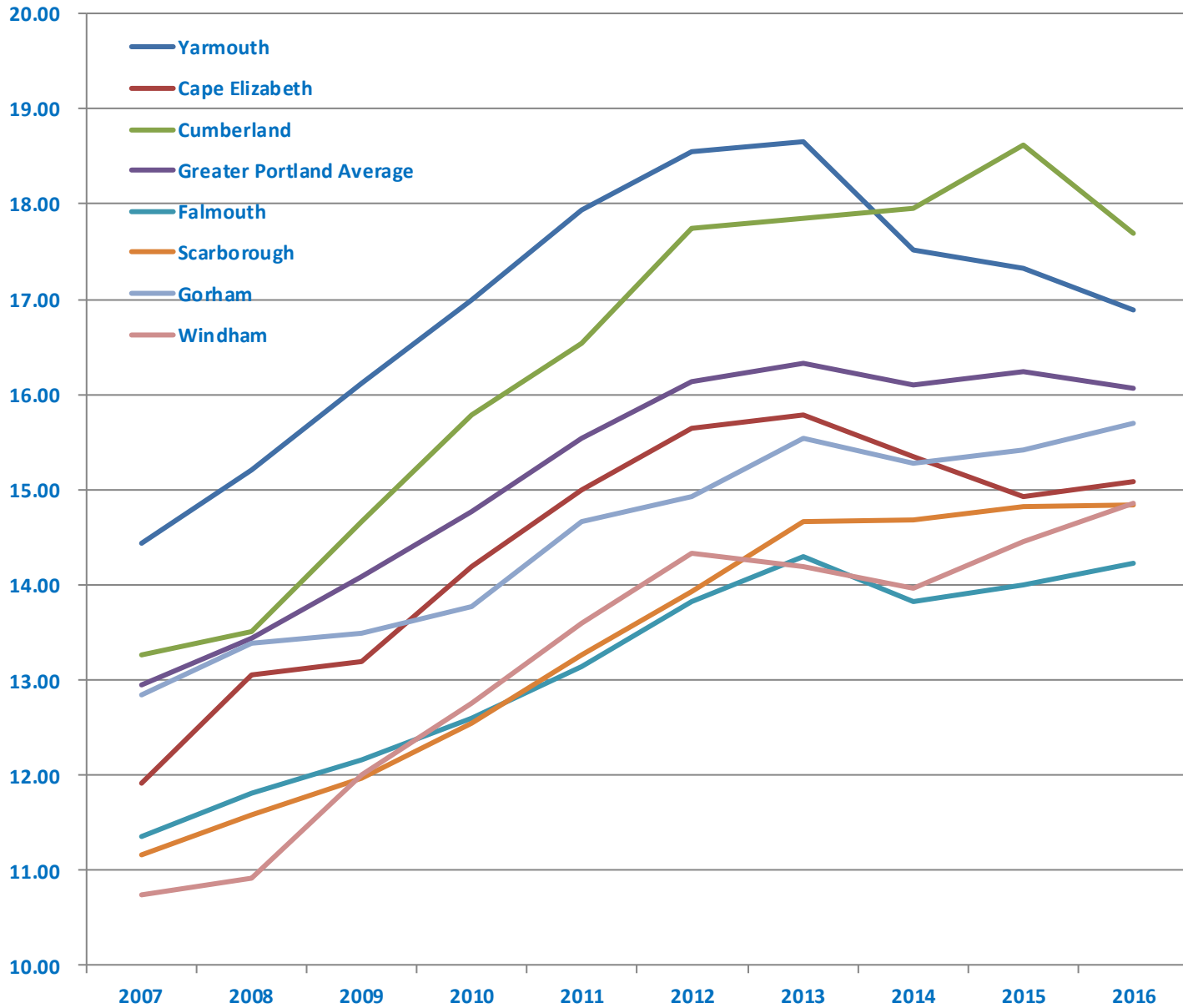
	Town	School	County	Total
Expenditures	15,159,325		1,787,990	16,947,315
Overlay	20,093		-	20,093
Non-tax revenues	<u>(6,692,515)</u>	<u>-</u>	<u>-</u>	<u>(6,692,515)</u>
Net from property taxes	8,486,903	-	1,787,990	10,274,893
2020-21 valuation (thousands)*		2,353,228.1		
2019-20 valuation (thousands)*		2,329,450.3		
Valuation Growth		1.0%		
2019-20 rate (Proposed)	3.61	-	0.76	4.37
2018-19 rate (Actual)	3.15	-	0.74	3.89
Mil rate increase	0.46		0.02	0.48
Pct. increase/decrease	14.6%		2.68%	12.24%

\* Adjusted for BETE and Homestead

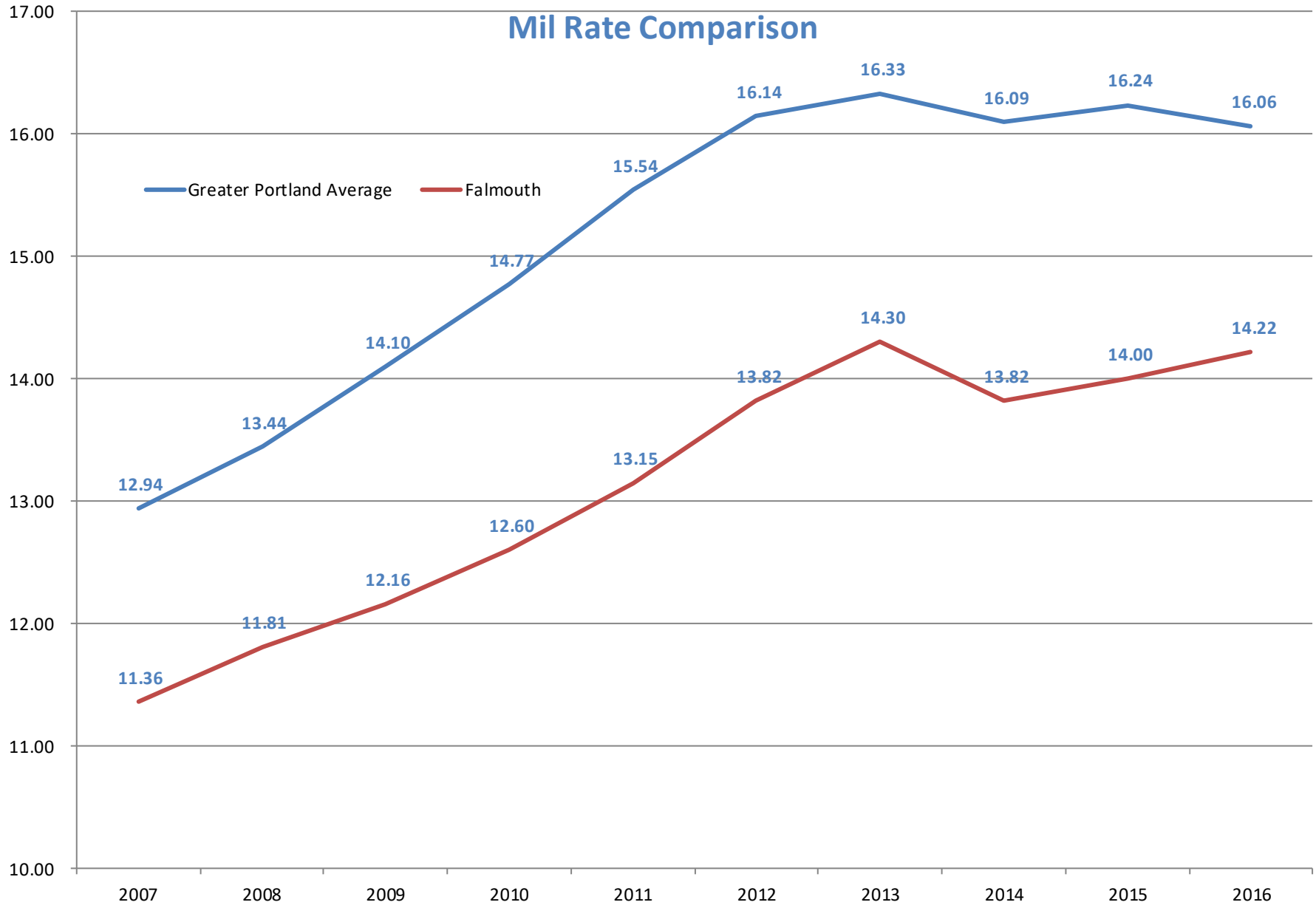
# Town of Falmouth

- ▶ AAA Bond Rating S&P
- ▶ Aaa Bond Rating Moodys
- ▶ Town Debt Outstanding = \$43.1 Million
  - Town Debt \$4.2 Million
  - School Debt (Local) \$7.0 Million
  - School Debt (State) \$20.1 Million
  - TIF Debt \$11.8 Million
  - Maximum Town Debt Limit = \$380 Million
- ▶ Lowest overall property tax mil rate of comparable communities (using 2016 state-adjusted valuations)
  - Falmouth 2016 rate = \$14.22 mils
  - Greater Portland Community average = \$16.06 mils

# Greater Portland Mil Rate Comparison



# Mil Rate Comparison

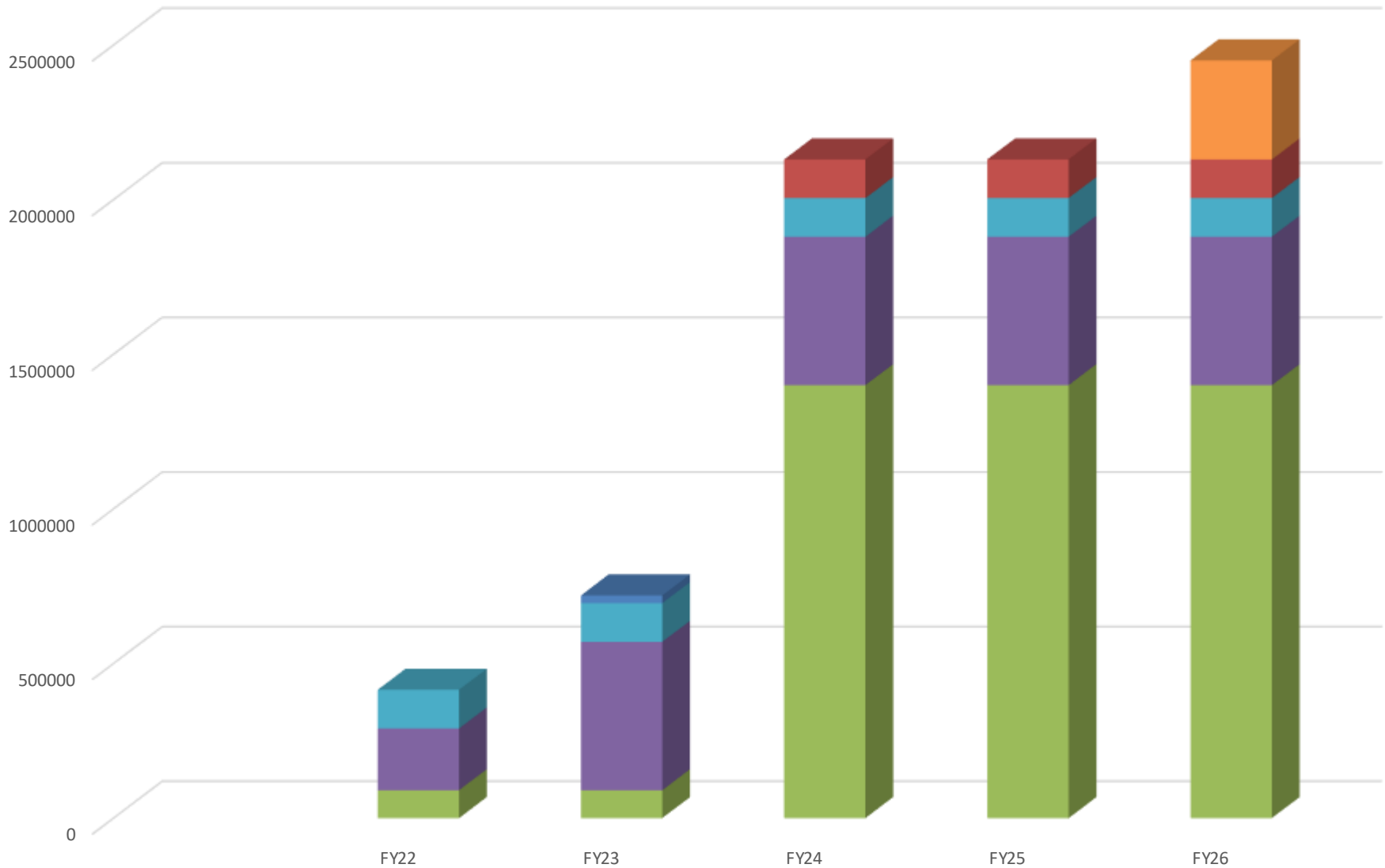


## 5-YEAR MILL RATE DRIVERS

	FY22	FY23	FY24	FY25	FY26
Open Space Acquisition Funding		25,000			
Phase II Fire/EMS Staffing	90,000	90,000	1,400,000	1,400,000	1,400,000
Fire Department Building Renovations	200,000	480,000	480,000	480,000	480,000
County change to Fiscal Year	125,000	125,000	125,000	125,000	125,000
Facilities Director			125,000	125,000	125,000
Blackstrap Road Rehabilitation					320,000
Total	415,000	720,000	2,130,000	2,130,000	2,450,000
Valuation	2,394,148	2,418,089	2,442,270	2,466,693	2,491,360
Mil Rate Impact	\$ 0.17	\$ 0.30	\$ 0.87	\$ 0.86	\$ 0.98
Change From Prior Year	\$ 0.17	\$ 0.12	\$ 0.57	\$ (0.01)	\$ 0.12



## 5-YEAR MILL RATE DRIVERS



- Phase II Fire/EMS Staffing
- Fire Department Building Renovations
- County change to Fiscal Year
- Facilities Director
- Open Space Acquisition Funding
- Blackstrap Road Rehabilitation
- 5-YEAR MILL RATE DRIVERS
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# Questions & Discussion