

# Town of Falmouth, Maine Mid-Year Financial Review FY2021



# FY21 YTD Revenue Overview

- ▶ Mid-Year revenues are on pace to meet overall budget

Property tax collections are 98.3% for first half property and annual personal property taxes.

- Overall collections are 54.2% of total taxes which is ahead of FY20 collection of 53.1% at mid-year
- ▶ Auto excise taxes are pacing \$20K above budget estimates.
  - Pace has slowed slightly in November and December but remains on pace to meet budget for the year.
- ▶ Service fees, permits and fines are pacing \$35K above budget primarily due to growth-related permits and fees (\$53K) offset by reduced ambulance revenues (\$26K)
  - Billable ambulance runs are down 14% versus prior year

# FY21 YTD Revenue Overview

- ▶ State revenue sharing is pacing \$115K above budget YTD
  - Revenue Forecast Committee's December 1, 2020 Report estimates that FY21 revenues will exceed the August 2020 forecast by \$273K.
- ▶ The Town received \$30K in FEMA reimbursements for FY20 COVID-related expenses.
- ▶ Miscellaneous revenues are currently pacing \$20K below budget.
  - YTD interest revenue is \$48K lower than budget offset by insurance premiums and dividends of \$30K.
  - Total year interest income shortfall projected to be \$130K.
- ▶ Wastewater revenues are \$126K better than budget primarily due to increased connection fee revenue.

### YTD FY21 REVENUE SUMMARY

ACCT DESCRIPTION	YTD BUD	YTD ACTUAL	VARIANCE	%
PROPERTY TAXES	(21,558,640)	(21,387,858)	170,783	99.2%
EXCISE TAXES	(1,675,071)	(1,694,901)	(19,831)	101.2%
GROWTH RELATED PERMITS AND FEES	(76,500)	(129,968)	(53,468)	169.9%
OTHER PERMITS, FEES AND FINES	(313,247)	(308,588)	4,659	98.5%
AMBULANCE CHARGES	(220,141)	(206,754)	13,387	93.9%
STATE REVENUE SHARING	(411,266)	(526,796)	(115,530)	128.1%
SCHOOL DEPT REVENUE	(4,992,198)	(4,992,198)	-	100.0%
FEMA REIMBURSEMENT	-	(30,253)	(30,253)	
INTEREST INCOME	(151,818)	(103,176)	48,642	68.0%
INSURANCE PREMIUM AND DIVIDEND	-	(30,633)	(30,633)	
ALL OTHER REVENUE	(56,808)	(56,696)	112	99.8%
<b>TOTAL REVENUE</b>	<b>(29,455,690)</b>	<b>(29,467,821)</b>	<b>(12,131)</b>	<b>100.0%</b>

# FY21 YTD Operating Expense Overview

- ▶ YTD Town Operating Expenses are pacing \$696K below budget.
  - Town operating expenses usually pace slower in the 1<sup>st</sup> half of the year.
    - Usual variance at mid-year is \$300K – \$450K below budget.
    - All departments are favorable to normal pacing as the Town delayed 1<sup>st</sup> quarter spending with a spending freeze.
    - Spending freeze was partially relaxed in the 2<sup>nd</sup> quarter based on favorable 1<sup>st</sup> quarter revenue results.
- ▶ Fire/EMS (\$339K) and Public Works (\$93K) are the largest variances.
  - Fire/EMS salaries and benefits were \$200K favorable primarily due to 9 budgeted new hires coming on board August 3 versus July 1.
    - Per diem shifts were \$105K lower than budget due to difficulty in filling shifts (7 of the full-time hires were active per diem firefighters)
    - Department spending is historically heavier in last half of the year but was also impacted by the 1<sup>st</sup> quarter spending freeze.
  - Public Works spending is historically much higher in the winter so that variance is normal at the mid-year point.
  - Wastewater spending at mid-year is pacing \$101K favorable to budget.

**TOWN OF FALMOUTH**  
**December 2020**

FUND	ORG	OBJECT	ACCT DESCRIPTION	ORIGINAL BUD	REVISED BUD	YTD BUDGET	YTD ACTUAL	VARIANCE
ADMINISTRATION				1,227,718	1,252,437	613,478	550,094	(63,383)
FINANCE				1,756,338	1,756,338	1,013,301	974,451	(38,850)
POLICE				3,277,094	3,277,094	1,639,167	1,597,298	(41,868)
FIRE/EMS				3,146,786	3,146,786	1,568,440	1,229,157	(339,283)
PUBLIC WORKS				1,891,223	1,891,223	930,055	837,073	(92,982)
COMMUNITY DEVELOPMENT				503,603	503,603	249,733	224,010	(25,723)
PARKS & COMMUNITY PROGRAMS				582,258	582,258	339,619	312,254	(27,365)
010	198	5900	BROWNTAIL MOTH SPRAYING	30,000	30,000	15,000	-	(15,000)
010	198	8515	METRO ASSESSMENT	1,700	1,700	850	215	(635)
010	198	8910	SENIOR TAX ASSISTANCE	50,000	50,000	50,000	42,139	(7,861)
010	198	8920	CONTINGENCY	83,098	58,379	58,379	15,000	(43,379)
010	198	9020	TRANS OUT TO SPEC REV FUND	38,100	101,100	101,100	101,100	-
010	198	9030	TRANSFER OUT TO CAPITAL FUND	752,350	752,350	752,350	752,350	-
010	199	8500	LIBRARY CONTRIBUTION	632,782	632,782	632,782	632,782	-
010	199	8510	COUNTY TAX ASSESSMENT	1,819,618	1,819,618	1,819,618	1,819,618	-
010	199	8515	METRO ASSESSMENT	203,183	203,183	203,183	203,183	-
NON DEPARTMENT/OTHER AGENCIES				3,610,831	3,649,112	3,633,262	3,566,387	(66,875)
<b>TOTAL TOWN</b>				<b>15,995,851</b>	<b>16,058,851</b>	<b>9,987,055</b>	<b>9,290,725</b>	<b>(696,330)</b>

# FY21 COVID Grants

- ▶ The State Healthy Maine Grant provided through the CARES Act covered a total of \$126K in COVID-related expenditures.
  - The Grant period ended in December 2020 but provided necessary material and equipment needed to support Town COVID protocols and cleaning/disinfecting needs.
  
- ▶ The Town received an additional \$3K in FEMA reimbursements for COVID-related spending in FY21.
  - Covered needed PPE and cleaning items for first responders.

# FY21 Other Issues

- ▶ Other unbudgeted expense Items total \$192K.
  - Solar project delay will impact budgeted energy savings of \$21K
  - Difficulty recruiting Police Officers for department openings has necessitated \$55K in Police Academy reimbursements to other Towns.
    - COVID has caused Police Academy Closure
  - Police Department retirement accrued leave payouts of \$54K
  - Fire Department Workers Comp is estimated to increase \$24K
  - Increase in election workers hours for Presidential election due to increase in absentee voting was \$25K.
  - Town Hall Greeter position due to COVID protocols will be \$13K if there is no additional grant coverage.
- ▶ Recreation Special Revenue Fund revenues continue to be dramatically impacted by COVID.
  - Revenues are currently \$110K lower than budget offset by spending reductions of \$142K. Year end fund balance could be \$50K–\$60K negative if spring revenues are impacted.



# FY21 Summary

- ▶ Based on the Town's mid-year results FY21 revenues and 2<sup>nd</sup> half revenue estimates, revenues will be on budget for the year.
- ▶ The current favorable expense pacing of almost \$700K, should be enough to cover normal and known unexpected items for the remainder of the year.
  - There may be a need to move budgeted funds between departments based on unanticipated expense items and where they will hit but the Town will be able to cover its expenditures with existing budget funds.
- ▶ Falmouth Schools are on pace to receive all budgeted State Aid for Education.
- ▶ There is uncertainty about continued Federal grant COVID – related support which ended in December 2020.
  - Concerns remain around funding the Food Service Fund balance, added staff positions related to COVID and Child Care funding needed to support the hybrid learning environment.