

Town of Falmouth, Maine Proposed FY2020 – 2021 Budget



Building the FY2021

- ▶ Standard annual challenges of trying to minimize tax rate increase
- ▶ Maintaining competitive benefits and wages for all of our staff
- ▶ Funding enhanced communication services
- ▶ Improving security systems in all our public buildings
- ▶ Bringing back Library staffing to levels prior to new facility construction
- ▶ Fire Department – staff increases to maintain service levels
 - Budget adds 14 full time Fire Fighter/EMS positions
- ▶ COVID 19 revenue impacts

COVID 19 BUDGET IMPACTS

- ▶ Fed rate reduction impact – average interest rate reduction of 1% on Town investments
- ▶ Municipal Revenue Sharing projections (reduction in planned increases)
- ▶ Excise tax projections – reduced revenue likely with fewer new car purchases
- ▶ Other non–property tax revenue reductions of \$166K

COVID 19 Changes

- ▶ Operating expense cuts totaling \$1,365,800
- ▶ All currently open positions will not be filled in FY22
- ▶ Position changes – reduced hours/TIF allocations
- ▶ Expense reductions
 - Education/meeting/travel
 - Social service donations
 - Consulting and engineering costs – spend only Central Fire renovation design
 - Other contractual Services – spend only IT related
 - All computer replacements
 - All “non-essential” capital spending

Town FY2020 and FY2021

Estimate Valuation based on 1% Growth

	FY20	FY21	\$ Change	% Change
Expenditures	13,549,766	13,811,233	261,467	1.9%
Overlay	20,093	20,093	0	0.0%
Non-tax revenues	(6,238,045)	(6,056,254)	181,791	2.9%
Net from property taxes	7,331,814	7,775,072	443,258	6.0%
Valuation (thousands)*	2,329,450.3	2,353,228.1	23,777.8	1.0%
Mil rate (PROPOSED at Budget)	3.15	3.30	0.15	4.8%

* Adjusted for BETE and Homestead

Falmouth Mooring Fee Structure Change

- | <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 plus adds support for future capital and maintenance costs.



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

IMPACTS IN REVENUE

FY21 BUDGET TO FY20 BUDGET

AUTO EXCISE TAX	(196,645)
STATE REVENUE SHARING	32,321
INTEREST INCOME	(65,500)
MOORING FEES	54,445
AMBULANCE CHARGES	28,281
BUILDING PERMITS	(16,760)
OTHER	(17,933)
	<hr/>
	(181,791)

Trash Bag Fee Increase

- ▶ User-based fee designed to cover costs of trash collection
- ▶ Current fees cover 58.3% of collection fees
- ▶ New fees cover entire annual trash collection costs

Size	Current	Proposed	Increase	%
33 gal.	\$ 2.08	\$ 2.95	0.87	41.8%
20 gal.	\$ 1.46	\$ 1.91	0.45	30.9%

- ▶ * Bag fees do not show as a revenue increase as they offset Collection Fee expense

IMPACTS IN EXPENDITURES

FY21 BUDGET vs FY20 BUDGET

FULL-TIME SALARIES/SOC SECURITY	556,679	January 2021 2.5% COLA, added 8 FF/EMS July, 6 FF/EMS Jan
PART-TIME SALARIES	328,885	Fire Department Per Diem adds, 2 Station 4, 4 to cover Jan hires for FF/EMS July-Dec
HEALTH INSURANCE	176,285	4.6% overall rate Increase, Fire Department additions
RETIREMENT	69,563	Wage increases, added FD employees, .1% rate increase
LIBRARY CONTRIBUTION	59,754	Library budget request, return to full operation
OVERTIME	67,723	OT to cover sick/vac for new FF/EMS staff
FD NEW HIRE EQUIPMENT	45,000	Gear to outfit 14 new FF/EMS Full-Time Staff (\$45K)
TRANSFER TO CAPITAL FUND	(713,027)	Reductions in Capital spending/ use of fund balance
TRASH COLLECTION FEES	(164,000)	Bag Fee increase to convert to 100% user-funded
OTHER	(165,395)	Reductions in spending across all departments
TOTAL	261,467	

FALMOUTH MEMORIAL LIBRARY

TOWN FUNDING BY YEAR

	FY18	FY19	FY20	FY21
Total Library Expense Budget	629,001	601,511	656,153	752,911
Town Funding	516,576	530,213	573,028	632,782
Funding %	82.1%	88.1%	87.3%	84.0%
FTEs	8.920	7.675	8.155	8.935

FALMOUTH MEMORIAL LIBRARY

	FY20	FY21	VAR
Total Expense Budget Increase	656,153	752,911	96,758
Acquisitions			10,800
Operating Expenses			17,090
Salaries - COLA, added .775 FTE 1,612 hours			48,668
Benefits			20,200
			<hr/> 96,758

FALMOUTH MEMORIAL LIBRARY
PROPOSED FY21 STAFFING
COMPARISON TO LAST FULL YEAR OF OPERATION

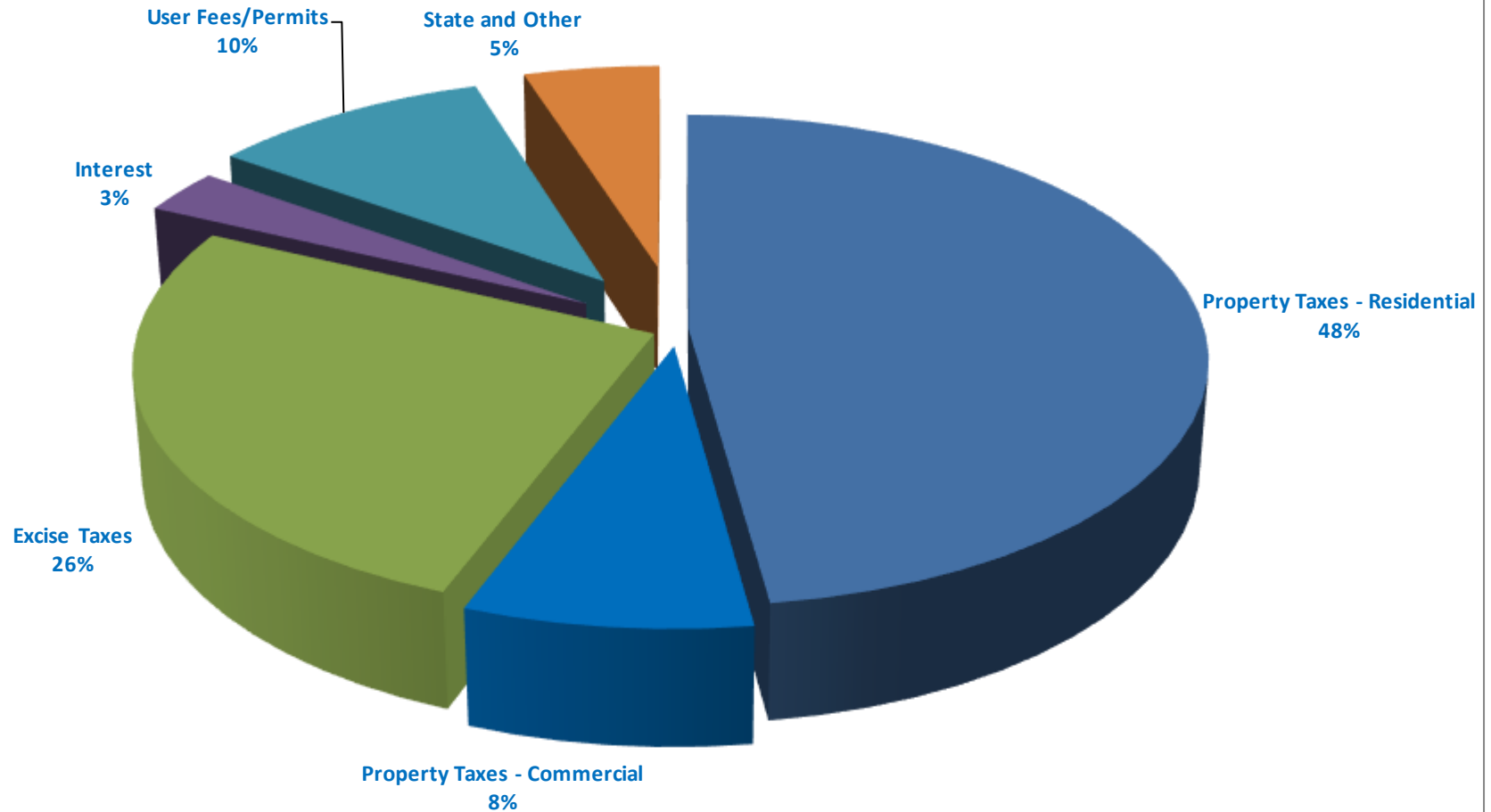
Job Title	FTE			
	FY18	FY19	FY20	FY21
Library Director	1.000	1.000	1.000	1.000
Assistant Director/Cataloger	0.750	0.750	0.750	0.750
Adult Services	1.000	1.000	1.000	1.000
Youth Services	1.000	1.000	1.000	1.000
Children's Assistant/Library Assistant	0.500	0.500	0.540	0.500
Circulation Manager	1.000	1.000	1.000	1.000
Library Assistants	2.370	1.200	1.560	2.460
Communications/reference Assistant	0.300	0.475	0.475	0.475
Bookkeeper/Adm Assist/Library Assistant	0.750	0.750	0.830	0.750
Technology Assistant	0.250	-	-	-
Total	8.920	7.675	8.155	8.935

SUMMARY: Mil Rate Impact

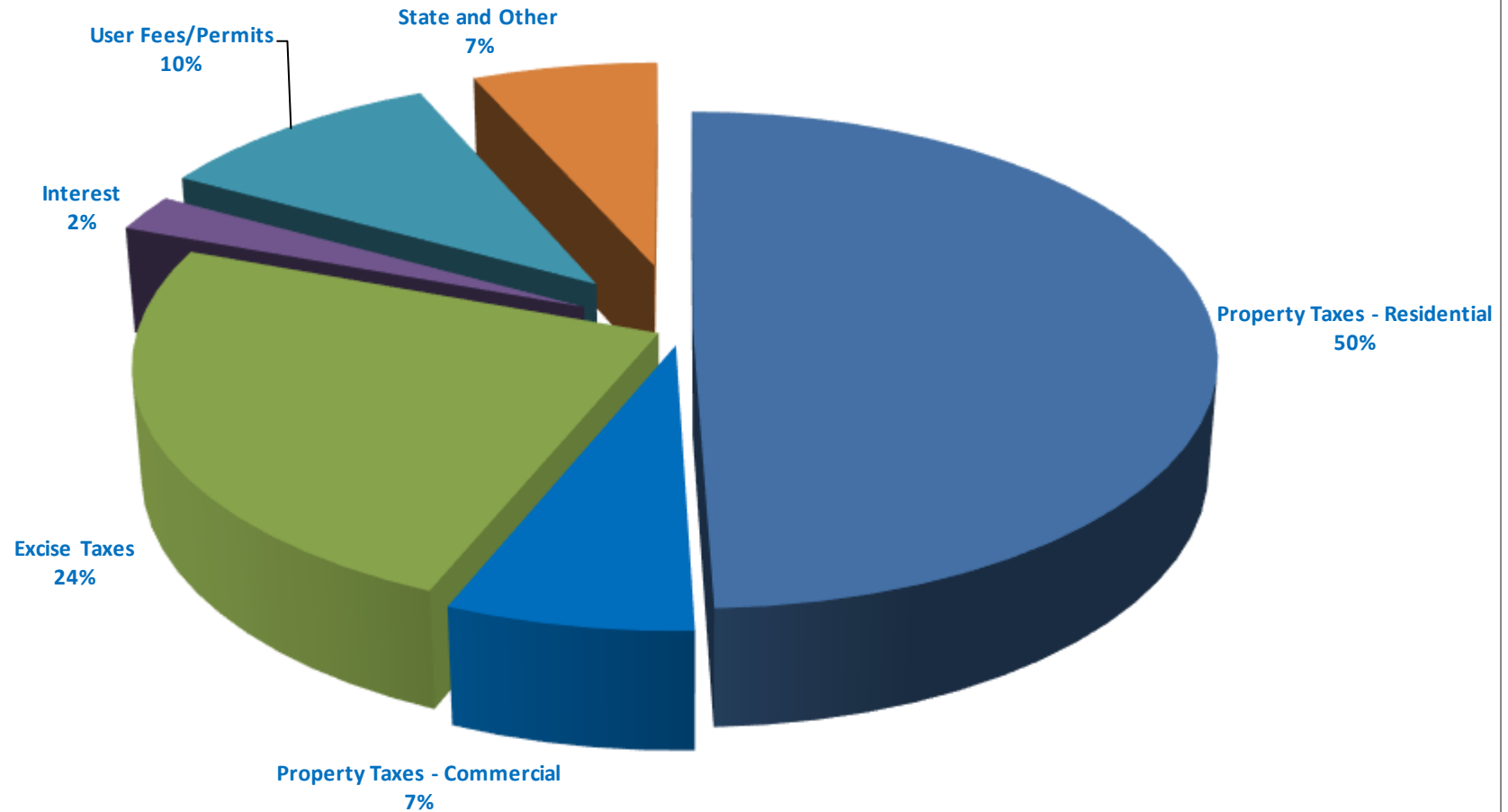
MUNICIPAL ONLY (Excludes School and County)

Net Expense Increase	261,467	0.11
Decreased Revenue	181,791	0.08
Municipal Share of New Added Valuation	(94,129)	<u>(0.04)</u>
Total Mil Rate Impact		0.15

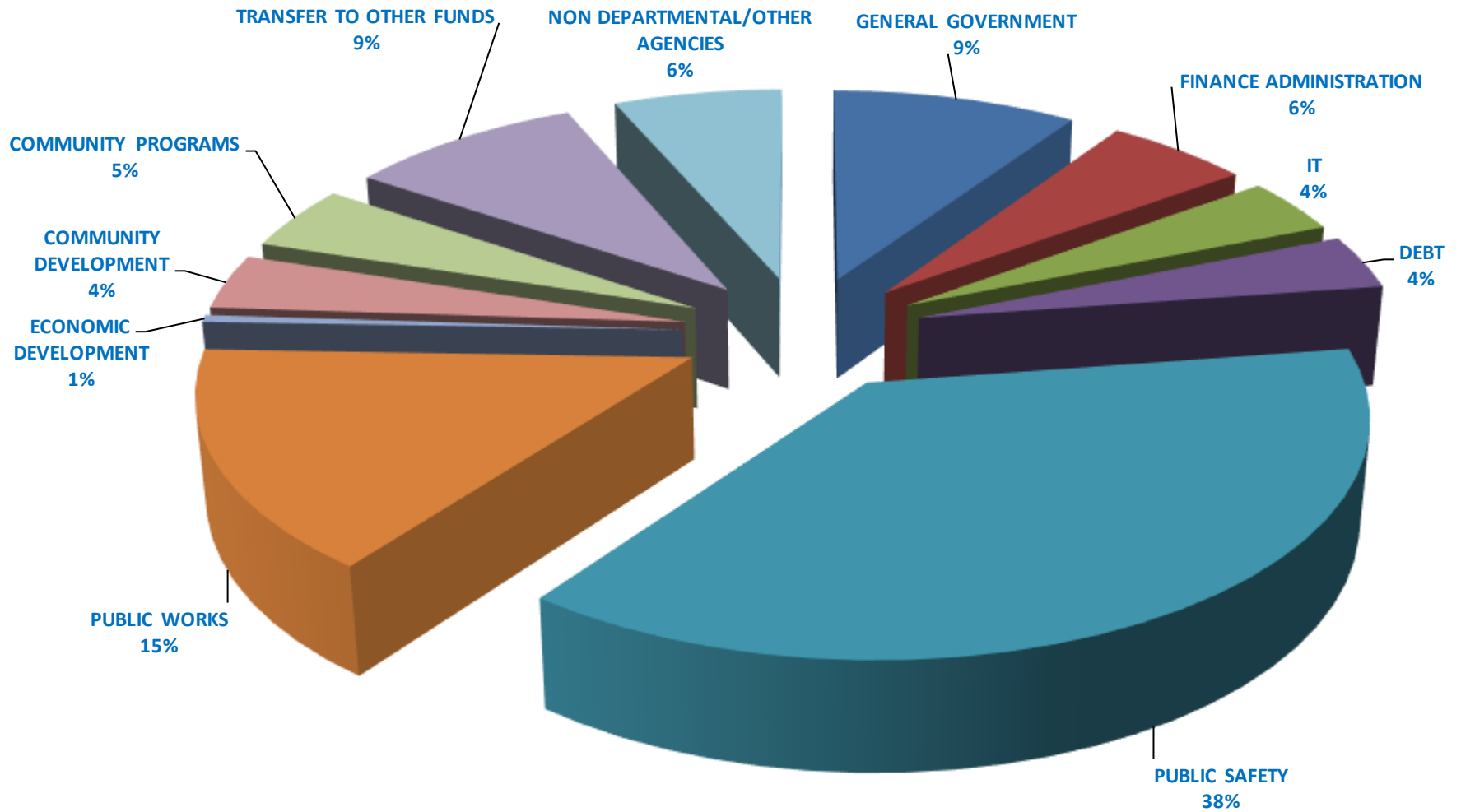
Town of Falmouth FY20 Sources of Revenue



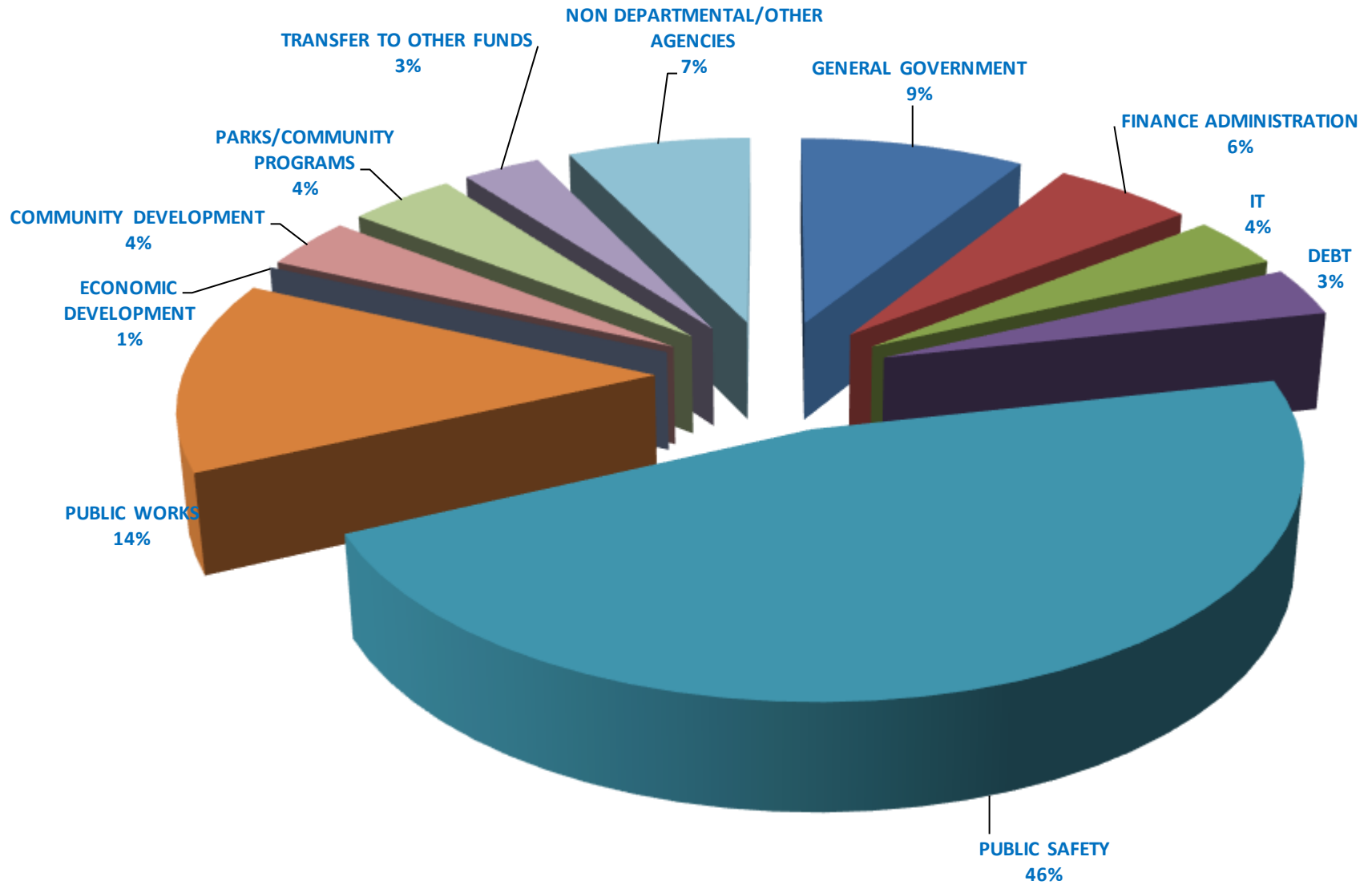
Town of Falmouth FY21 Sources of Revenue



Town of Falmouth FY20 Budget



Town of Falmouth FY21 Budget



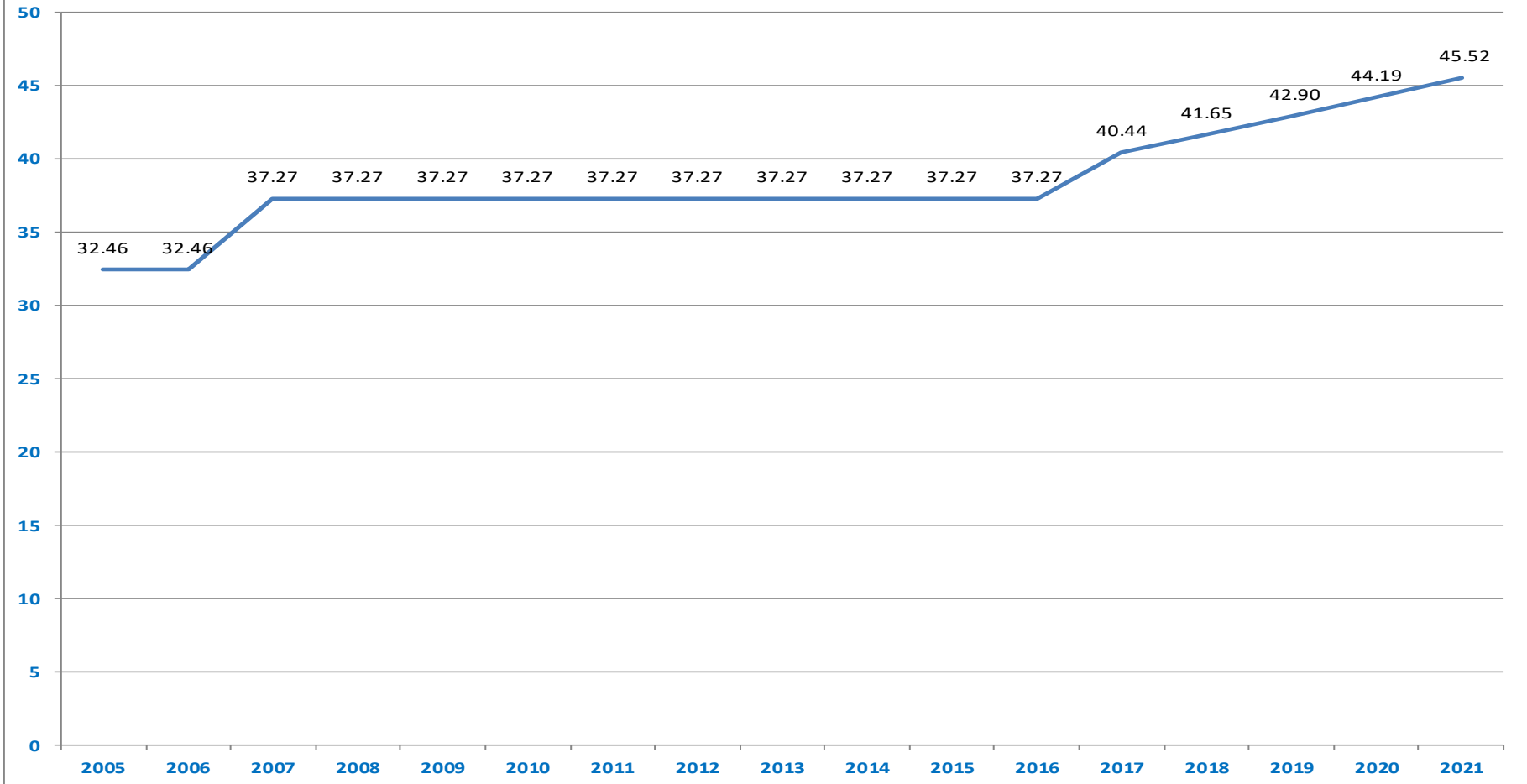
Wastewater FY21 Budget

- ▶ 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

WASTEWATER FY2021 PROPOSED CAPITAL BUDGET

Cost center	FY 20-21	Notes
Treatment Plant		
Plant Upgrade 2007-08	\$381,772	Bond principal, interest, and fees, 2008 plant upgrade
Plant equipment replacement	\$15,000	General replacement of pumps and equipment at the treatment plant due to unexpected failure
Security Improvements	\$67,000	Needed security enhancements resulting from PD security audit
Total	\$463,772	
Mill Creek Pump Station and Force Main		
Mill Creek force main and pump station borrowing costs,	\$292,383	Bond principal, interest, and fees, 2017 Mill Creek pump station and force main replacement
Total	\$292,383	
Falmouth Only Sewers and Equipment		
Infiltration reduction	\$50,000	Flow assessment, smoke testing, rehabilitation work to reduce peak flows.
WF sewer extension projects, phase 1	\$339,570	Estimated bond payment towards recommended West Falmouth sewer improvements. \$4.62 MM at 2% for 20 years, includes fees.
Jet flushing machine	\$110,000	Proposal provides funds to replace 1995 sewer cleaning /jet flushing machine
ROW clearing	\$10,000	Restore Webes Creek ROW
Computers and network	\$8,000	Contribution to Town computer/software/network replacement
Quickview Camera System	\$9,000	New sewer video camera system, shared cost with Public Works Department
Carol Street lining	\$125,000	Install pvc lining in 1,600 feet of clay sewer on Carol Street
Total	\$651,570	
Falmouth Only Pump Stations		
Middle Road, Standby Generator	\$30,000	Proposal funds new generator at Middle Road pump station
Misc. improvements	\$50,000	General replacement and rehab at any of 29 pump stations that solely serve Falmouth
Total	\$80,000	
Total FY2021 Spending	\$1,487,725	

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	2020	2.0%	\$ 396.00	\$ 34.00
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	\$ 60.18
Median				\$ 58.33

Property Mil Rate Calculation 2020-21

Projected Valuation Numbers

Proposed Budget

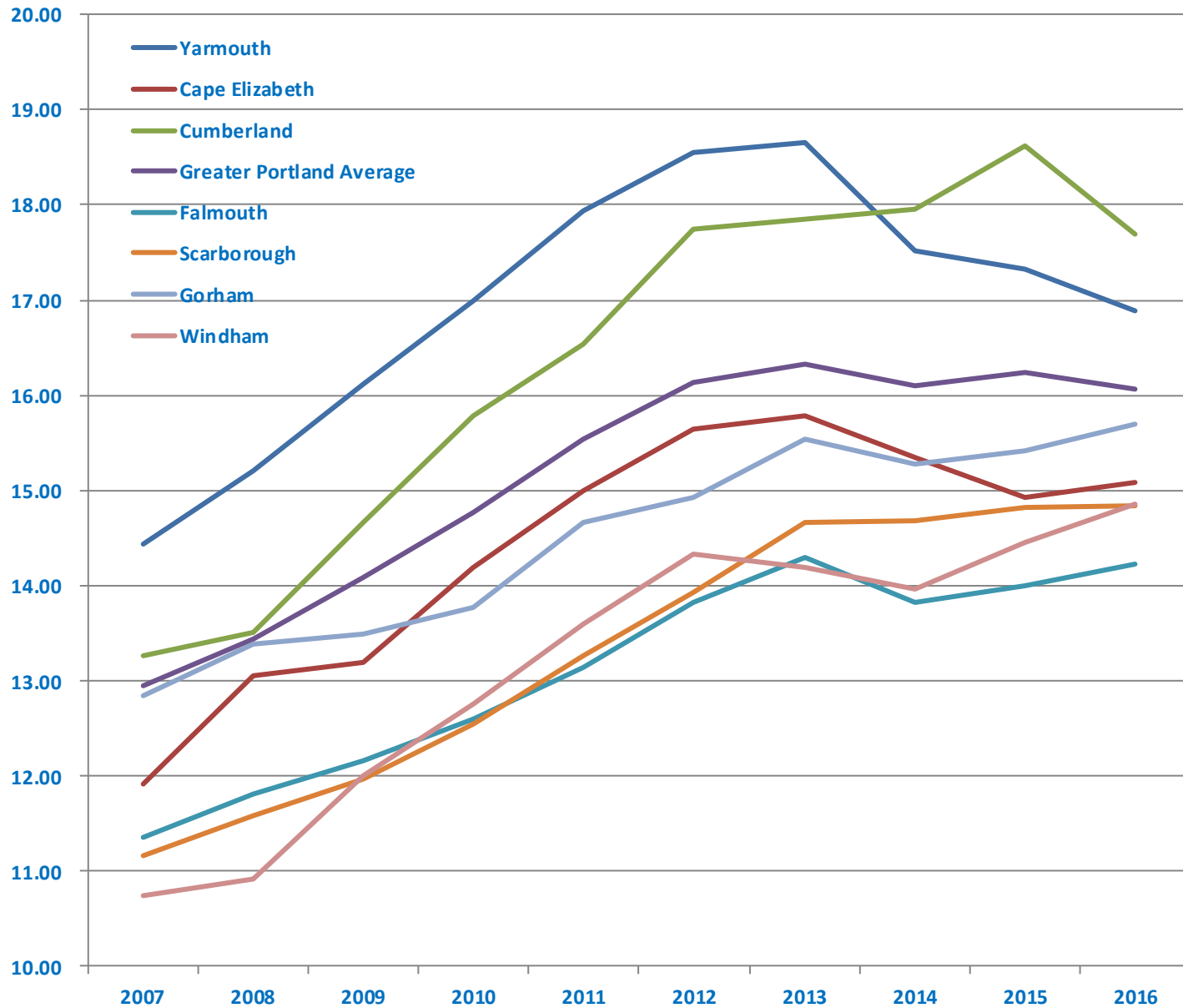
	Town	School	County	Total	TIF	TOTAL
Expenditures	13,811,233	39,477,027	1,819,618	55,107,878	3,440,109	58,547,987
Overlay	20,093	-	-	20,093	-	20,093
Non-tax revenues	(6,056,254)	(8,940,853)	-	(14,997,107)	-	(14,997,107)
Net from property taxes	7,775,072	30,536,174	1,819,618	40,130,864	3,440,109	43,570,973
2020-21 valuation (thousands)*		2,353,228.1			201,977.8	2,555,205.9
2019-20 valuation (thousands)*		2,329,450.3			198,977.8	2,528,428.1
Valuation Growth		1.0%			1.5%	1.1%
2020-21 rate (Proposed)	3.30	12.98	0.77	17.05		
2019-20 rate (Actual)	3.15	12.98	0.74	16.87		
Mil rate increase	0.15	0.00	0.03	0.18		
Pct. increase/decrease	4.8%	0.0%	4.49%	1.09%		

* Adjusted for BETE and Homestead

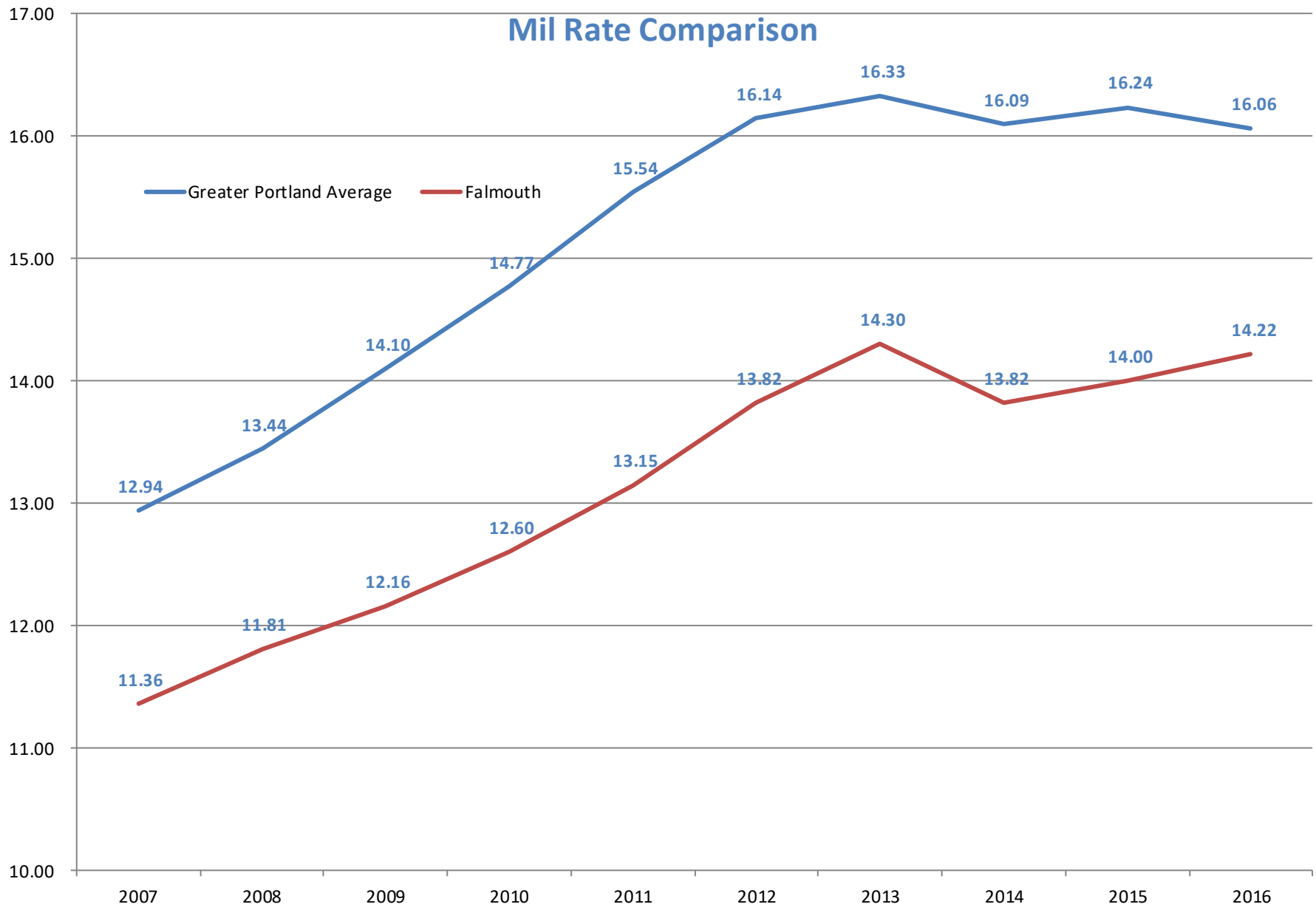
Town of Falmouth

- ▶ 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



MIL RATE HISTORY

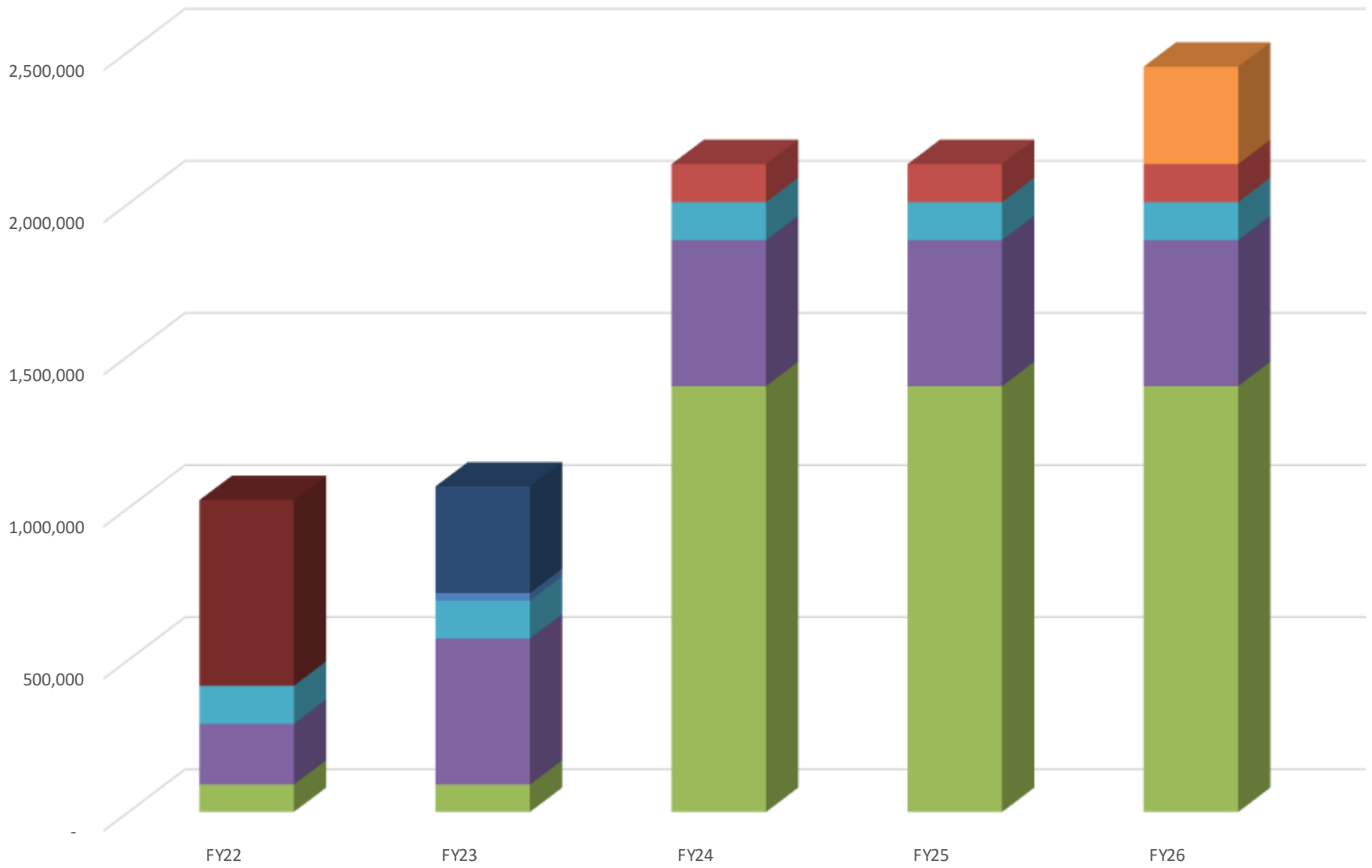
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Mil Rate	12.35	12.35	12.35	12.92	13.43	14.12	14.10 \$	14.63 \$	15.09	15.62	16.47	16.87	17.05
Avg Mil Rate Increase \$	0.392												
Compound Annual Growth Rate	2.73%												

5-YEAR MILL RATE DRIVERS

	FY22	FY23	FY24	FY25	FY26
Open Space Acquisition Funding		25,000			
Return CIP funding level	610,000				
Phase II Fire/EMS Staffing	90,000	90,000	1,400,000	1,400,000	1,400,000
Fire Department Tank Truck Funding		350,000			
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	1,025,000	1,070,000	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	\$ 0.43	\$ 0.44	\$ 0.87	\$ 0.86	\$ 0.98
Change From Prior Year	\$ 0.43	\$ 0.01	\$ 0.43	\$ (0.01)	\$ 0.12

Average mil rate increase for the 5 year period = \$.20

5-YEAR MILL RATE DRIVERS



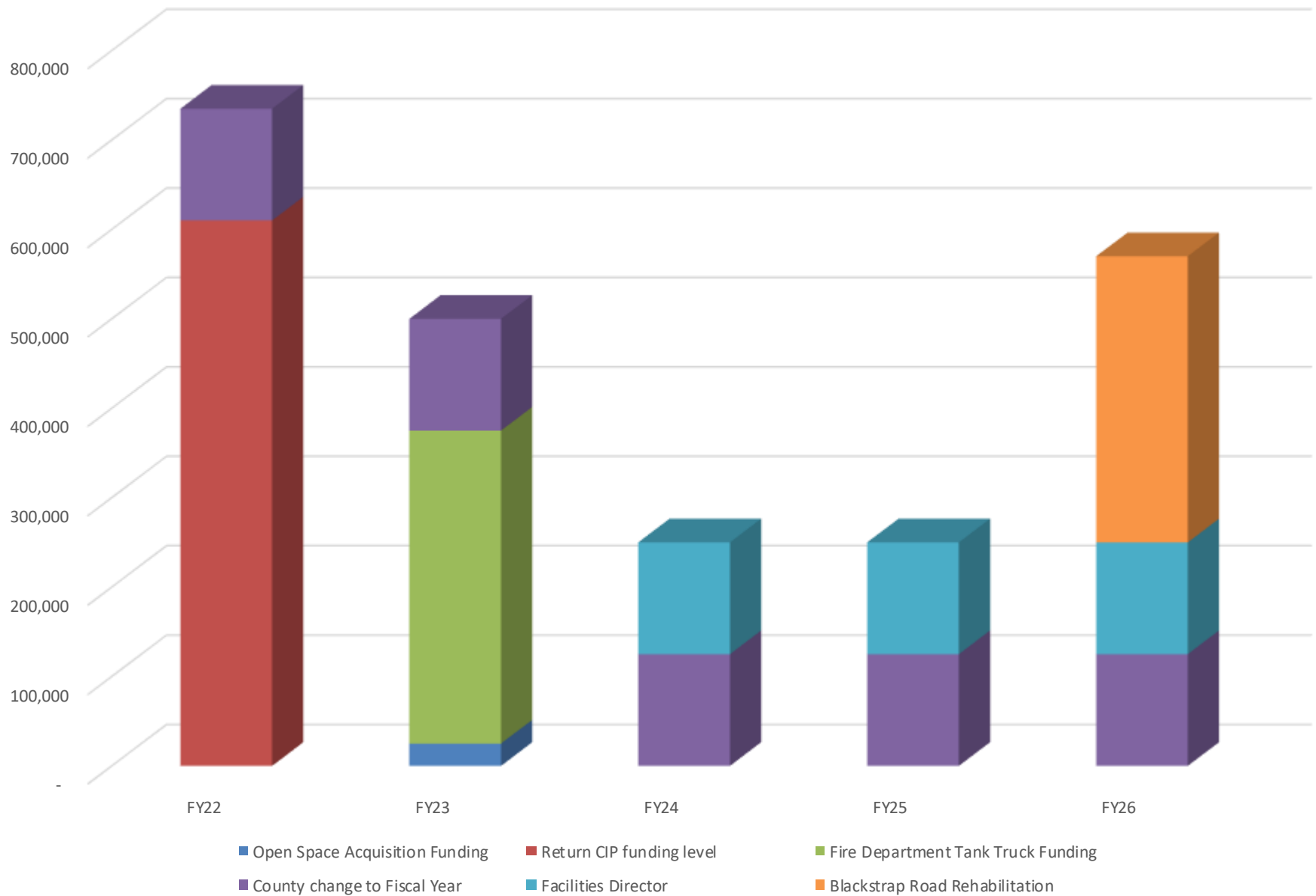
■ Phase II Fire/EMS Staffing
 ■ Fire Department Building Renovations
 ■ County change to Fiscal Year
 ■ Facilities Director
 ■ Open Space Acquisition Funding
 ■ Blackstrap Road Rehabilitation
 ■ Fire Department Tank Truck Funding
 ■ Return CIP funding level

5-YEAR MILL RATE DRIVERS - Excludes Fire/EMS Changes

	FY22	FY23	FY24	FY25	FY26
Open Space Acquisition Funding		25,000			
Return CIP funding level	610,000				
Fire Department Tank Truck Funding		350,000			
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	735,000	500,000	250,000	250,000	570,000
Valuation	2,394,148	2,418,089	2,442,270	2,466,693	2,491,360
Mil Rate Impact	\$ 0.31	\$ 0.21	\$ 0.10	\$ 0.10	\$ 0.23
Change From Prior Year	\$ 0.31	\$ (0.10)	\$ (0.10)	\$ (0.00)	\$ 0.13

Average mil rate increase for the 5 year period = \$.05

5-YEAR MILL RATE DRIVERS - Excludes Fire/EMS Changes

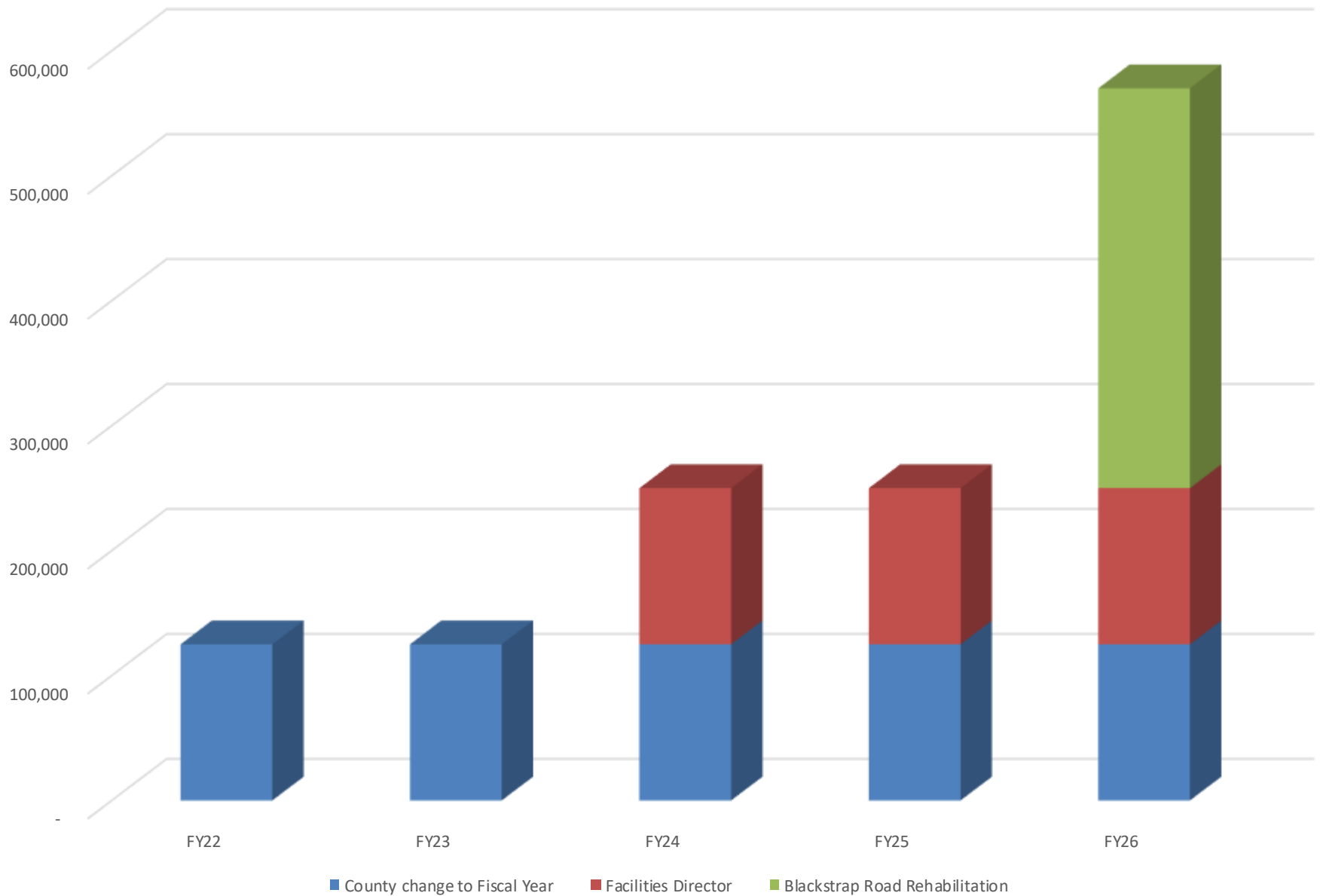


5-YEAR MILL RATE DRIVERS - Excludes Fire/EMS Change & COVID-19

	FY22	FY23	FY24	FY25	FY26
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	125,000	125,000	250,000	250,000	570,000
Valuation	2,394,148	2,418,089	2,442,270	2,466,693	2,491,360
Mil Rate Impact	\$ 0.05	\$ 0.05	\$ 0.10	\$ 0.10	\$ 0.23
Change From Prior Year	\$ 0.05	\$ (0.00)	\$ 0.05	\$ (0.00)	\$ 0.13

Average mil rate increase for the 5 year period = \$.05

5-YEAR MILL RATE DRIVERS - Excludes Fire/EMS Change & COVID-19



Questions & Discussion