

# Town of Falmouth, Maine Proposed FY2019 – 2020 Budget



# FY2020 Budget Challenges

- ▶ 2.5% COLA increases
- ▶ Increased demand for Fire/EMS services combined with a continued decline in volunteers has produced coverage issues. Based on this trend, the Fire Department is hiring an Engine 2 Operator to staff daytime hours.
- ▶ The Fire/EMS Department is moving to the Maine PERS 3C pension plan in order to be more competitive with surrounding municipalities.
- ▶ Police Department cost increase due to a department restructure designed to enhance service capabilities.
- ▶ The impact of a full-year of the new Fire EMA Captain and additional School Resource Officer budgeted to be hired in January 2019.
- ▶ Debt Service for the voter-approved Falmouth Memorial Library Construction Bond is \$263K in FY20.
- ▶ North Yarmouth has opted out of their Dispatch Service Contract reducing revenues by \$21K.
- ▶ Issues with browntail moths and Highland Lake algae blooms require Town funding of \$50K.
- ▶ Mandatory Upgrade to Vision software adding \$25K to our Computer Services Budget.

# FY2020 Solutions

- ▶ Non-Property Tax Revenues are projected to grow \$130K including \$122K in auto excise tax increases.
- ▶ The FY2019 purchase of street lights from CMP and replacement of the lights with energy saving LEDs will reduce our electricity costs by \$29K in FY20.
- ▶ Health insurance rates increased by 2% in 2019 versus a Budget of 8%.
- ▶ A review of staff time to support TIF Districts produced an opportunity to increase wage and benefit allocations to TIFs.
- ▶ Through project deferrals and timing changes, the Town CIP appropriation will be \$176K lower than the FY2019 amount.
- ▶ The new Governor's Budget requested an increase in the State Municipal Revenue Sharing allocation.

# Budgeted Property Mil Rate

## Town FY2019 and FY2020

Estimate Valuation based on 1% Growth

	FY19	FY20	\$ Change	% Change
Expenditures	13,075,028	13,549,766	474,738	3.6%
Overlay	57,816	35,000	(22,816)	-39.5%
Non-tax revenues	(5,855,896)	(6,011,372)	(155,476)	-2.7%
Net from property taxes	7,276,948	7,573,394	296,446	4.1%
Valuation (thousands)*	2,303,285.5	2,326,820.5	23,535.0	1.0%
Mil rate (PROPOSED at Budget)	3.16	3.25	0.09	2.85%

\* Adjusted for BETE and Homestead

# IMPACTS IN EXPENDITURES

## FY20 BUDGET vs FY19 BUDGET

FULL-TIME SALARIES/SOC SECURITY	272,874	2.5% COLA, added FD Engine 2 Operator, Police structure change, full yr SRO & EMA Captain
LIBRARY BOND DEBT SERVICE	263,150	Debt service for voter-approved \$3.31 million Library Construction Bond
OTHER CONTRACTUAL SERVICES	58,600	Browntail moth spraying and Fire Department staffing study
RETIREMENT	55,249	Wage increases, add Fire Department to Maine PERS 3C Pension Plan
LIBRARY CONTRIBUTION	42,815	Library budget request
HIGHLAND LAKE	32,000	Highland Lake Testing was a supplemental appropriation in FY19
HEALTH INSURANCE	29,482	Increased headcount, 2.9% overall rate Increase
PART TIME SALARIES	27,279	Fire Department call volume increase, winter sidewalk plowing, Councilor stipend adjustment
COMPUTER SERVICES	25,633	Vision software upgrade
OVERLAY/ABATEMENTS	(196,600)	Use of uncommitted fund balance in FY19 for State BETE reimbursement clawback
TRANSFERS TO CAPITAL FUND	(176,274)	Reduced funding requirement for FY2020
OTHER	40,531	Primarily workers comp (\$13K), street line painting (\$12K) and fuel costs (\$18K)
TOTAL	474,739	

# IMPACTS IN REVENUE

## FY20 BUDGET TO FY19 BUDGET

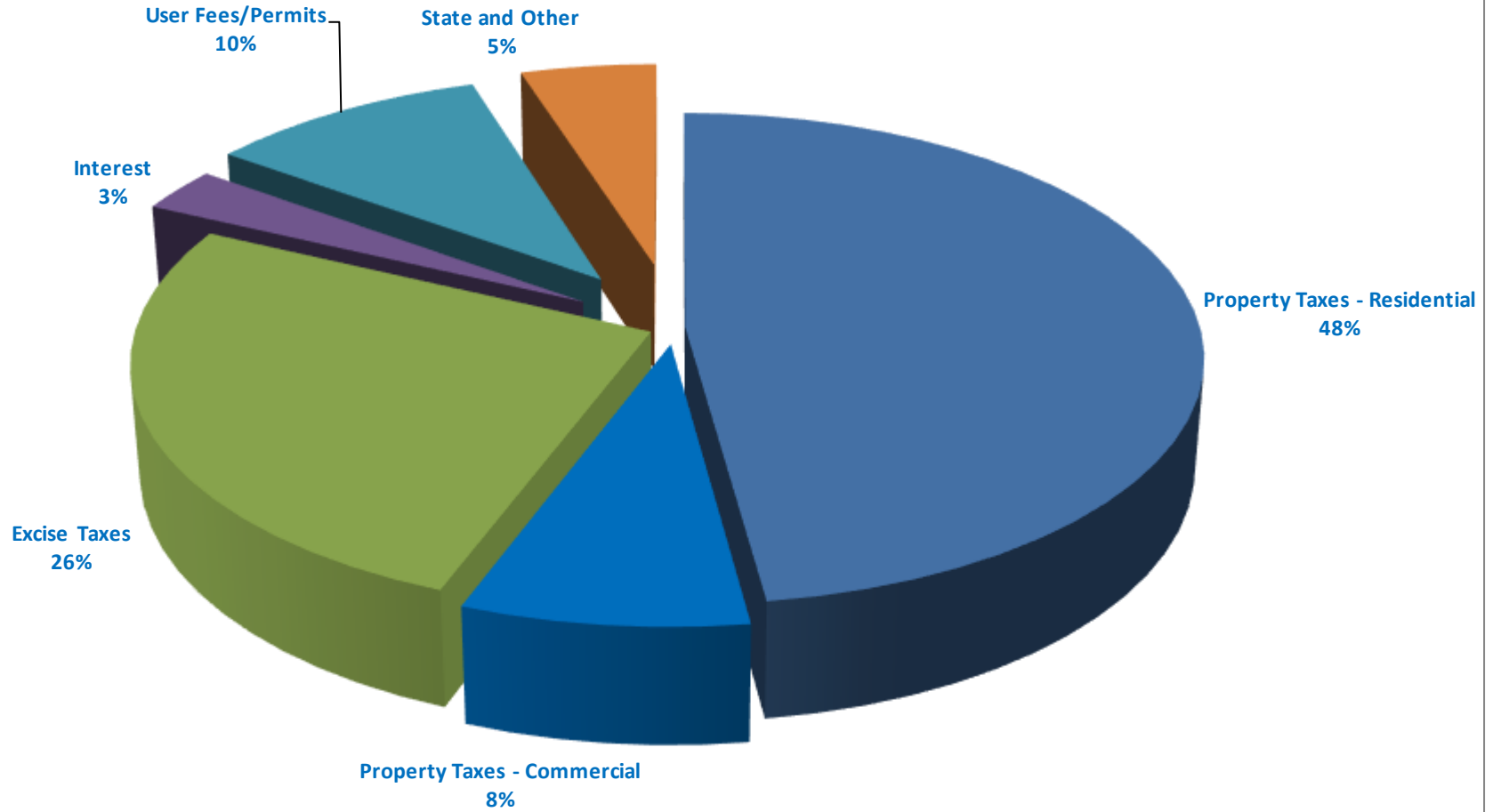
AUTO EXCISE TAX	122,590
STATE REVENUE SHARING	101,110
INTEREST INCOME	94,500
TOWER LEASE	25,783
USE OF FUND BALANCE	(171,600)
DISPATCH FEES	(20,903)
OTHER	3,996
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	155,476

# SUMMARY: Mil Rate Impact

MUNICIPAL ONLY (Excludes School and County)

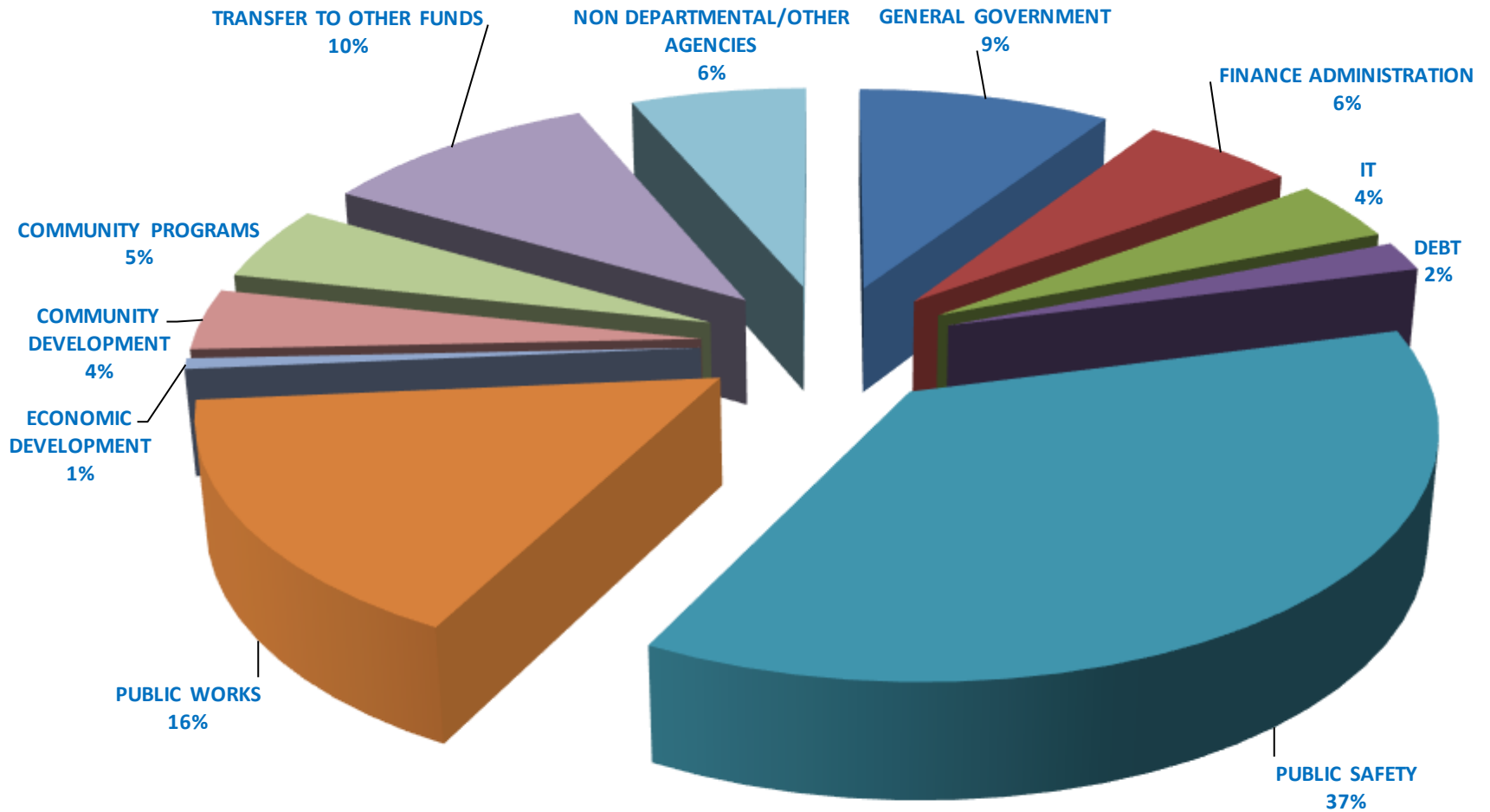
Net Expense Increase	474,739	0.206
Overlay	(22,816)	(0.010)
Increased Revenue	(155,477)	(0.067)
Municipal Share of New Added Valuation	(90,746)	<u>(0.04)</u>
<b>Total Mil Rate Impact</b>		<b>0.09</b>

# Town of Falmouth Sources of Revenue

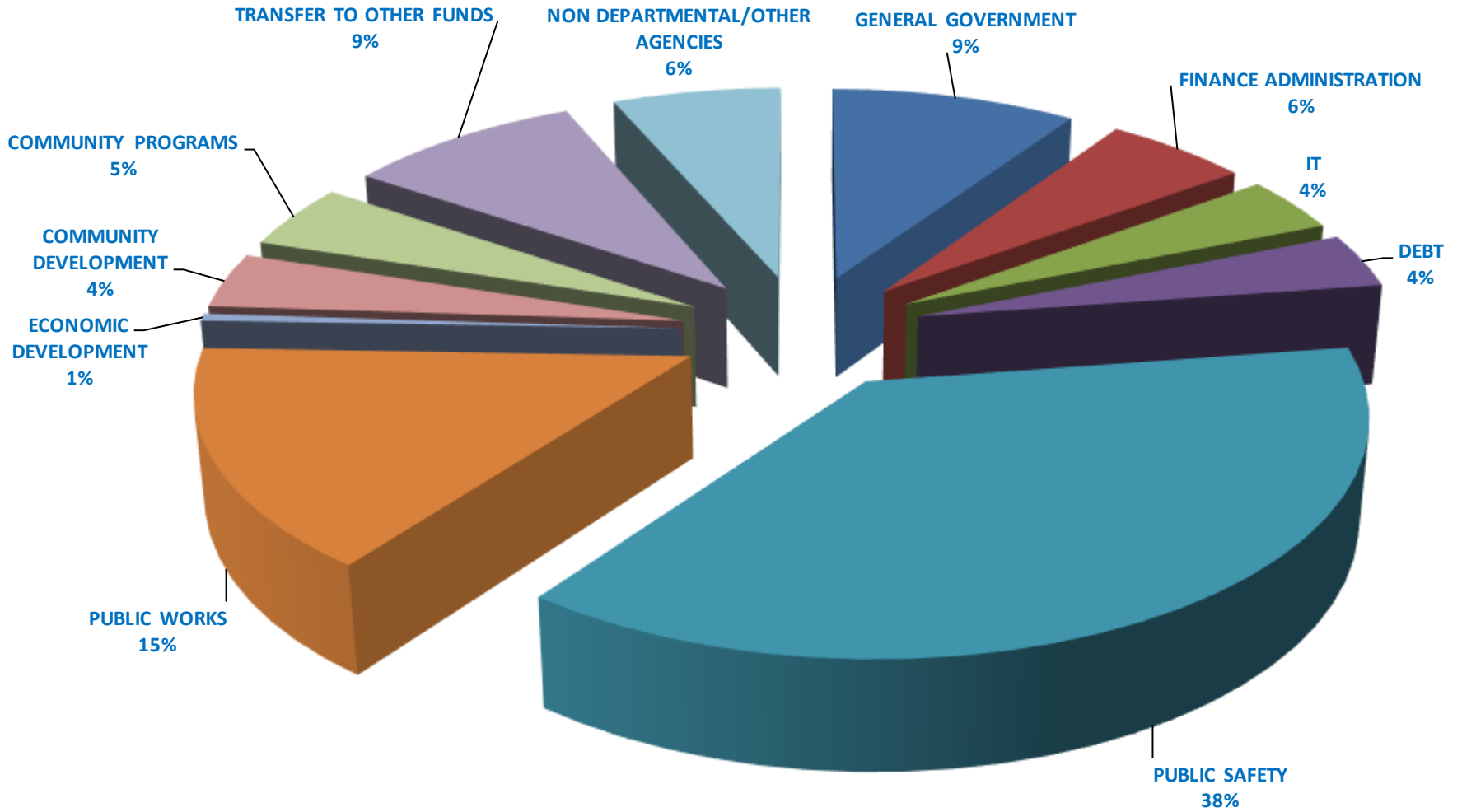




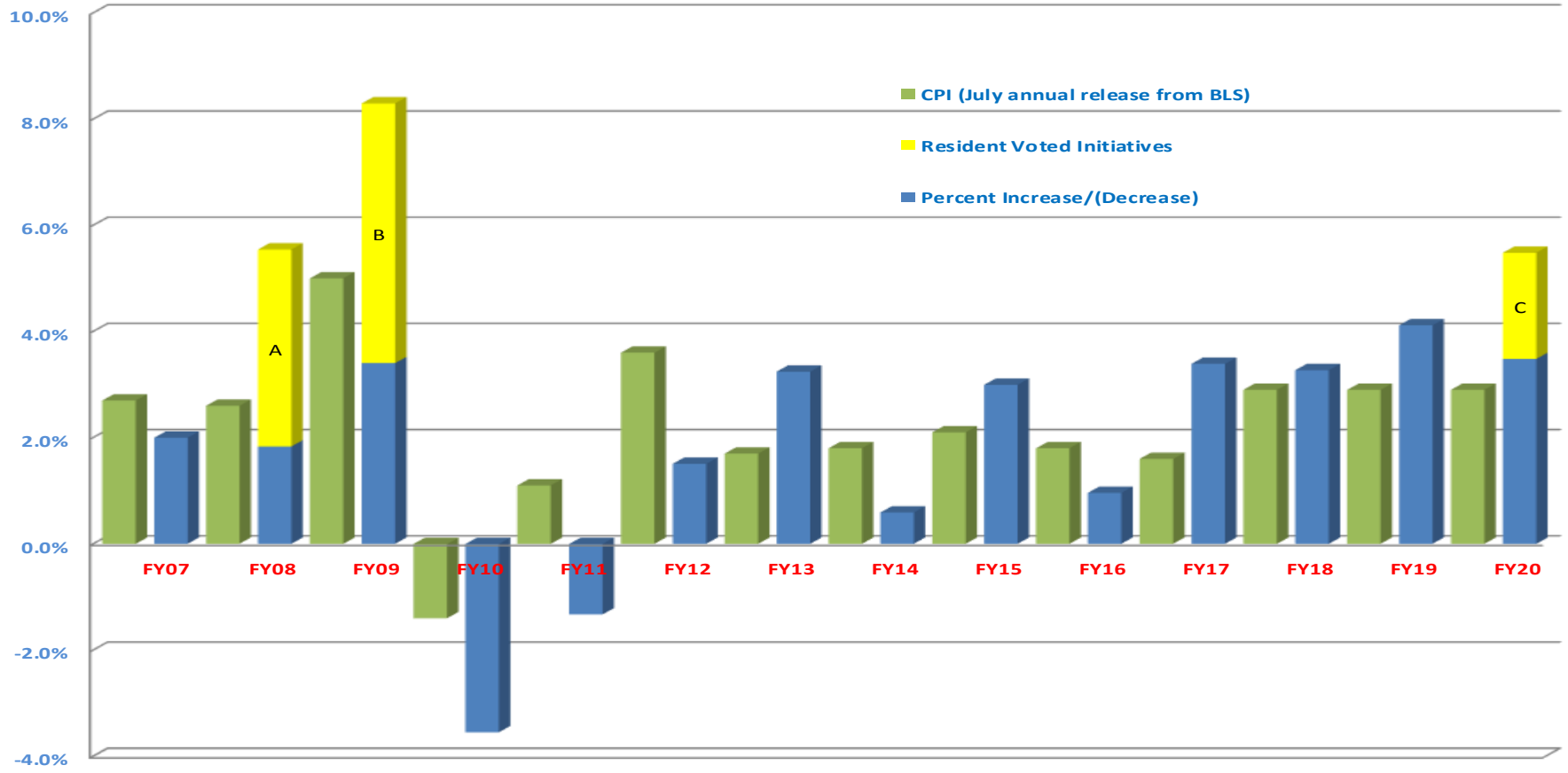
# Town of Falmouth FY19 Budget



# Town of Falmouth FY20 Budget



## Expense Percent Increase/Decrease



The Resident Voted Initiatives are A-Police and Central Fire Buildings Debt in 2008, B-Open Space in 2009, and C-Library Construction Bond in 2020.

CPI is based on June to June increase in CPI Exceptions: FY19 and FY20 is estimated based on FY19 rate.

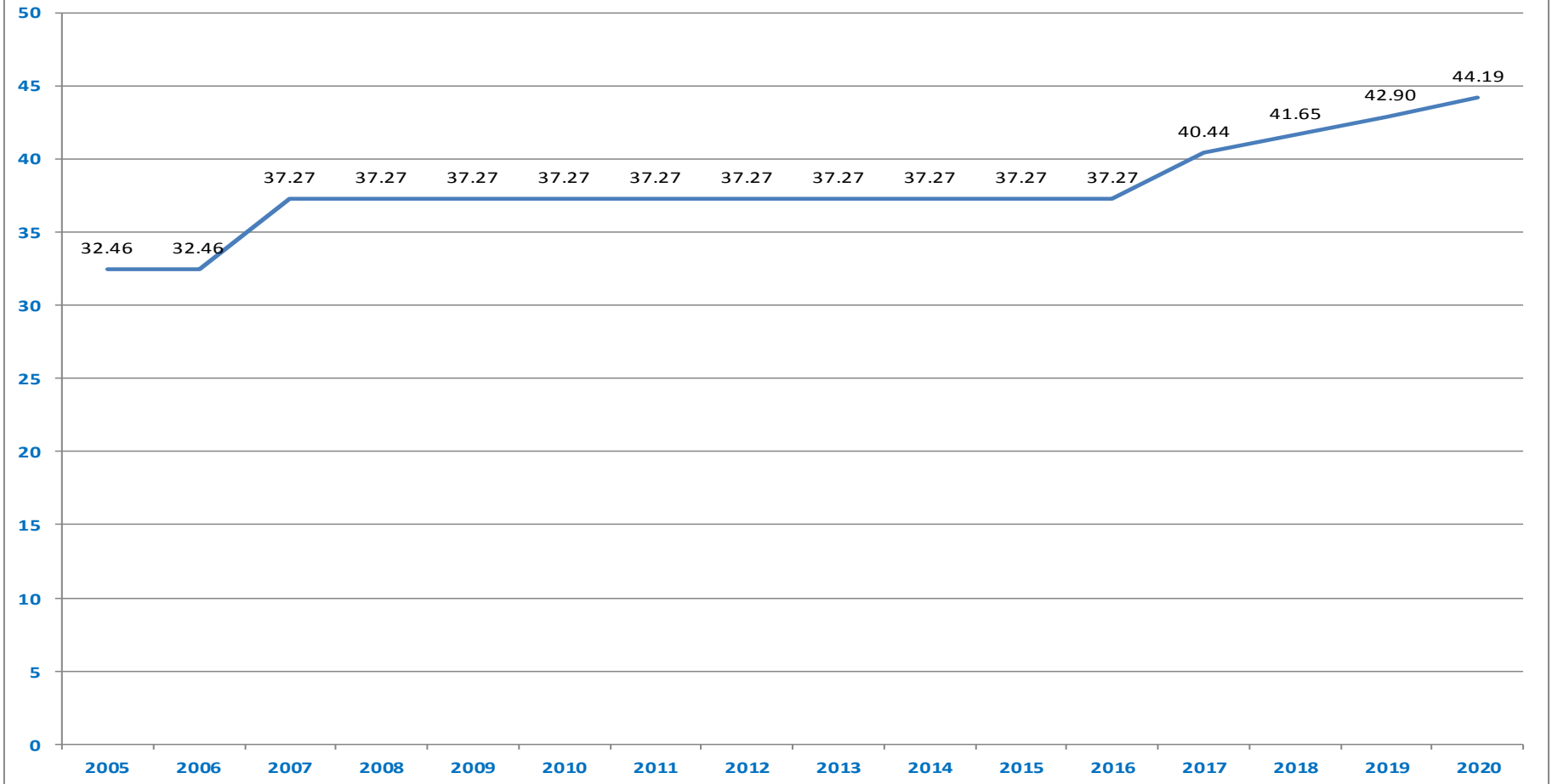
10 year average Town expense growth = 1.85%, 10 year average CPI = 2.2%

Town beat CPI increase in 8 out of 14 years

# Wastewater FY20 Budget

- ▶ The Wastewater Enterprise Fund FY20 proposed budget includes expenditures of \$2,408,305 representing a \$60,914 increase or 2.8% over FY19.
- ▶ Wastewater rate payers will see a \$1.29 per month or 3.0% rate increase effective with the July 2019 bill. The increase is necessary to pay for the new debt associated with the Mill Creek pump station and future plant replacements.
- ▶ FY20 Capital expenditures are projected to total \$233K and includes \$123K in Sewer and Equipment replacements and \$110K in various facility and network projects.

## Falmouth Monthly Sewer Rates



15 year average sewer rate growth = 2.4%

2018 Average Maine Town and City Sewer Rate = \$47.49 2018 Falmouth Sewer Rate = \$44.19 a difference of \$3.30

# Wastewater Rate comparison

Municipality	Date Last Increase	% Increase	Annual Rate	Monthly Rate
Yarmouth	2016		\$ 350.00	\$ 29.17
Saco	2017	0.0%	\$ 374.00	\$ 31.17
Scarborough	2018		\$ 396.00	\$ 33.00
Lewiston	2017	0.0%	\$ 421.00	\$ 35.08
Wells	2013	3.8%	\$ 426.00	\$ 35.50
Kennebunkport	2016	3.8%	\$ 431.00	\$ 35.92
Auburn	2017	0.0%	\$ 441.00	\$ 36.75
Augusta	2011	35.0%	\$ 449.00	\$ 37.42
Bangor	2014	3.3%	\$ 488.00	\$ 40.67
South Portland	2018		\$ 489.60	\$ 40.80
Biddeford	2008	13.2%	\$ 493.00	\$ 41.08
Kittery	2017	0.0%	\$ 500.00	\$ 41.67
<b>Current Falmouth</b>	<b>2018</b>	<b>3.0%</b>	<b>\$ 514.79</b>	<b>\$ 42.90</b>
<b>Poroposed Falmouth</b>	<b>2019</b>	<b>3.0%</b>	<b>\$ 530.28</b>	<b>\$ 44.19</b>
Freeport	2018		\$ 576.00	\$ 48.00
Brunswick	2017	0.0%	\$ 581.00	\$ 48.42
Brewer	2016	5.0%	\$ 642.00	\$ 53.50
Gardiner	2007	1.5%	\$ 676.00	\$ 56.33
Ogunquit	2014	4.0%	\$ 680.00	\$ 56.67
Sanford	2016	2.3%	\$ 684.00	\$ 57.00
Westbrook	2018		\$ 686.88	\$ 57.24
Gorham	2018		\$ 693.24	\$ 57.77
North Berwick	2016	10.0%	\$ 697.00	\$ 58.08
Windham	2018		\$ 702.72	\$ 58.56
Kennebunk	2016	15.5%	\$ 730.00	\$ 60.83
York	2017	0.0%	\$ 736.00	\$ 61.33
Portland	2018		\$ 955.20	\$ 79.60
Cumberland	2018		\$ 972.96	\$ 81.08
Cape Elizabeth	2018		\$ 1,071.12	\$ 89.26
Average		5.4%	\$ 599.58	\$ 49.96
Median				\$ 48.00

# Property Mil Rate Calculation 2019-20

Projected Valuation Numbers  
Proposed Budget

	Town	School	County	Total	TIF	TOTAL
Expenditures	13,549,766	38,687,580	1,735,913	53,973,259	3,322,490	57,295,749
Overlay	35,000	-	-	35,000	-	35,000
Non-tax revenues	<u>(6,011,372)</u>	<u>(8,468,192)</u>	<u>-</u>	<u>(14,479,564)</u>	<u>-</u>	<u>(14,479,564)</u>
Net from property taxes	7,573,394	30,219,388	1,735,913	39,528,695	3,322,490	42,851,185
2019-20 valuation (thousands)*		2,326,820.5			195,575.3	2,522,395.9
2018-19 valuation (thousands)*		2,303,782.7			193,633.5	2,497,416.2
Valuation Growth		1.00%			1.0%	1.0%
2019-20 rate (Proposed)	3.25	12.99	0.75	16.99		
2018-19 rate (Actual)	3.16	12.59	0.72	16.47		
Mil rate increase	0.09	0.40	0.03	0.52		
Pct. increase/decrease	2.85%	3.18%	3.62%	3.18%		

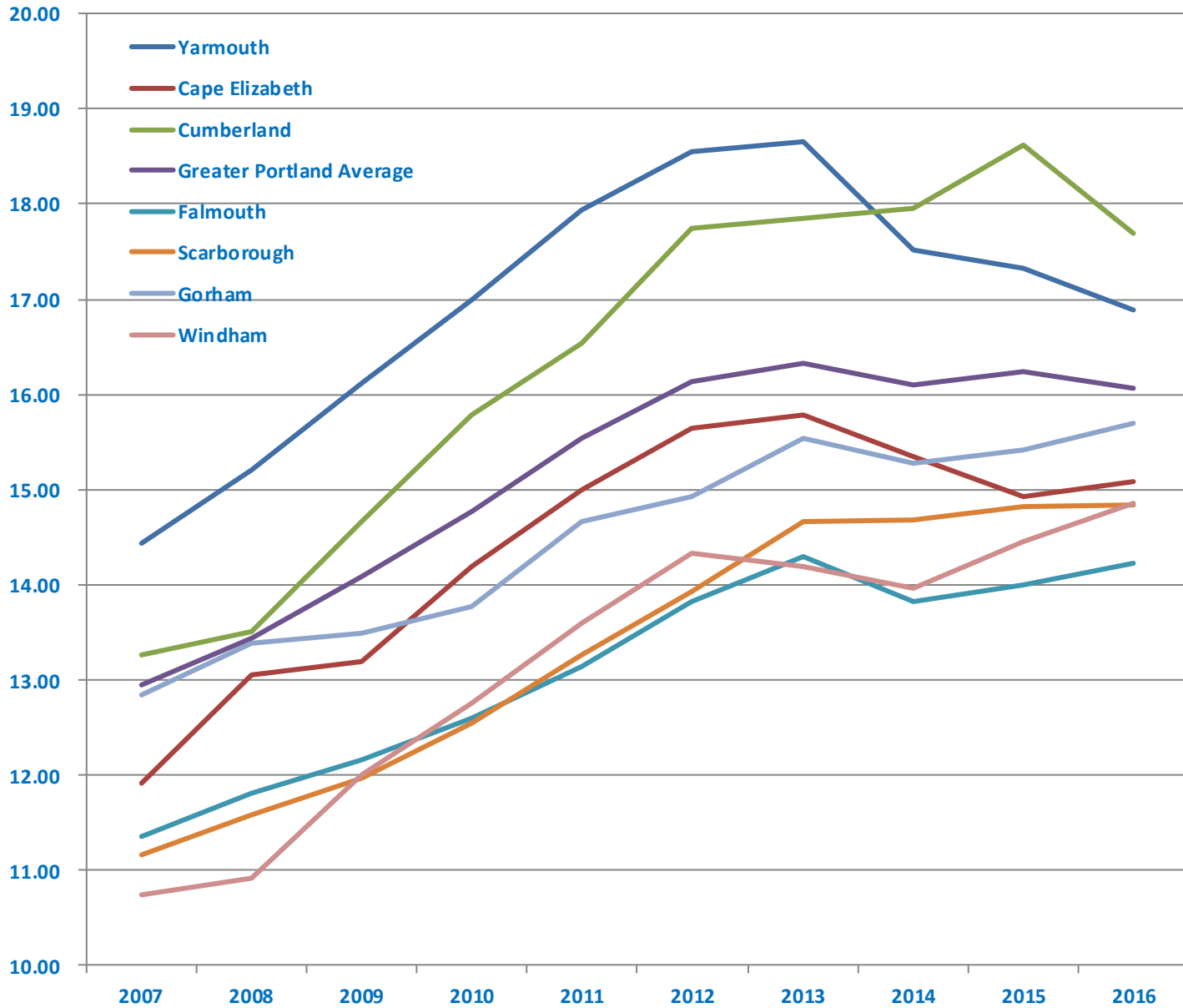
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# Town of Falmouth

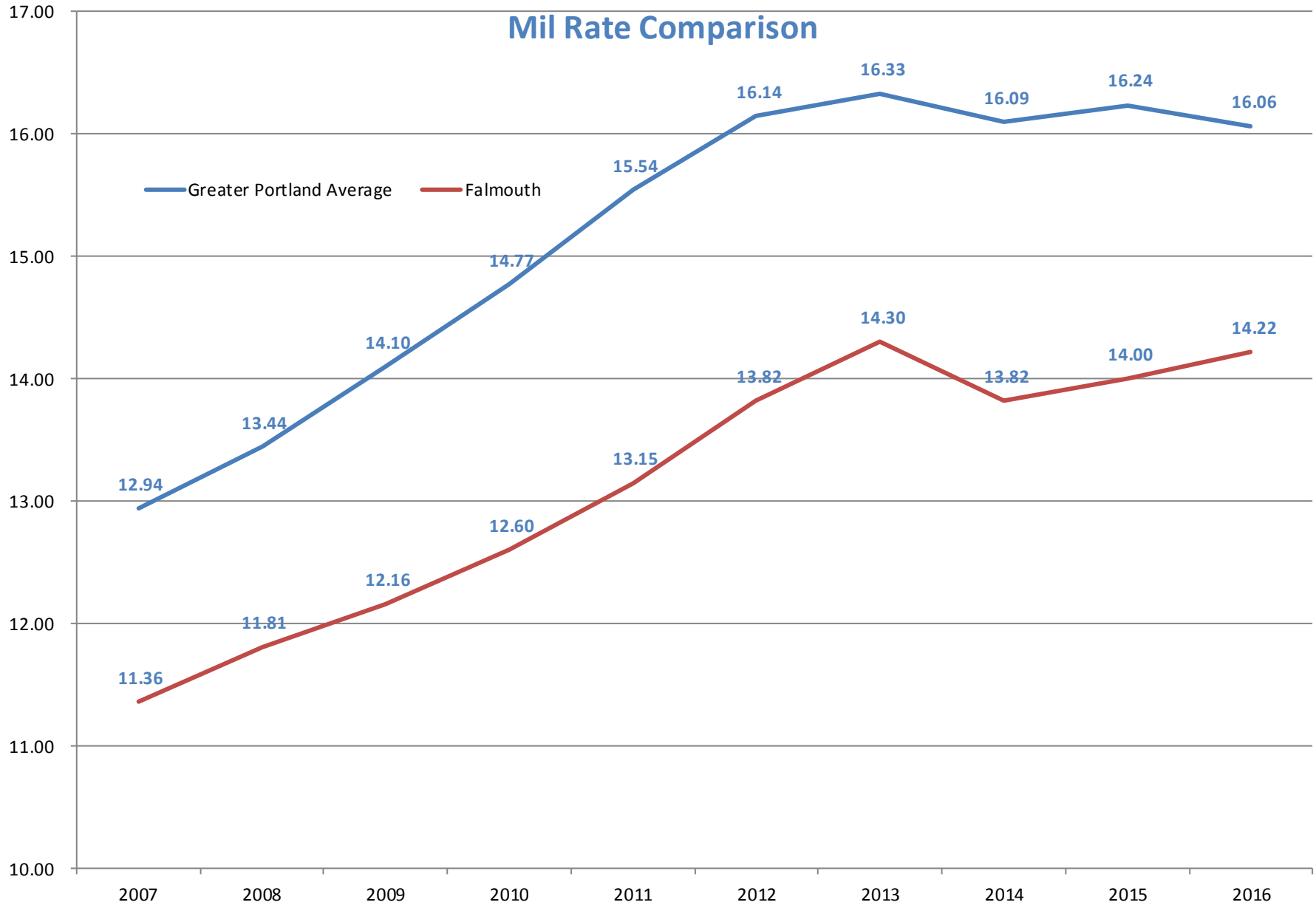
- ▶ Moody's just upgraded Falmouth Bond Rating to Aaa
- ▶ S&P maintained their AAA Bond Rating for Falmouth
- ▶ Town Debt Outstanding = \$38.2 Million
  - Town Debt \$1.5 Million
  - School Debt (Local) \$7.7 Million
  - School Debt (State) \$22.6 Million
  - TIF Debt \$6.4 Million
  - Maximum Town Debt Limit = \$368 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
Mil Rate	12.35	12.35	12.35	12.92	13.43	14.12	14.10 \$	14.63 \$	15.09	15.62	16.47	16.99
Avg Mil Rate Increase \$	0.42											
Compound Annual Growth Rate	2.94%											

# Questions & Discussion