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# City of Saco Proposed Budget for Fiscal Year 2011



March 15, 2010

# Vision Statement

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Our vision is a high quality of life for Saco Citizens. Central to this vision is a sustainable economy that offers an opportunity for everyone to have rewarding employment and for business to prosper, now and in the future. The people of Saco bring this vision into reality by working together and building on our tradition of hard work, dedication and ingenuity.

# Strategic Goals

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## Downtown Revitalization



The City recognizes the downtown's significance as the economic and community center. The City will continue to promote the revitalization of the downtown and will support groups like Saco Spirit.

# Strategic Goals

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## Infrastructure, Capital Development & Maintenance



The City is committed to maintaining and improving the City's infrastructure, facilities, and equipment by maintaining the existing infrastructure and planning for future needs.

# Strategic Goals

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## Growth Management



The City will encourage sustainable growth and development in appropriate areas while protecting natural resources and rural character, in order to maximize the efficient use of municipal services.

# Strategic Goals

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## Meeting New Environmental Regulation Challenges



The City will protect the environment and natural resources, and will employ the concept of sustainability in order to enhance the well being of future generations.

# Strategic Goals

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## Technological Innovation and Implementation



The City will develop and implement technologies to improve services.

# Strategic Goals

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## Human Resource Investment



The City recognizes that employees are a valuable resource that requires investment to ensure that staff will attain the knowledge, skills, and abilities necessary to meet community needs.

# Strategic Goals

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## Leisure Services Investment

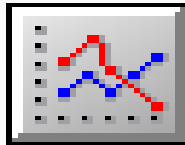


The City understands the need for recreational and cultural opportunities for its citizens' and will continue to explore, upgrade, and develop new outlets to meet these needs.

# Strategic Goals

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## Meeting the Financial Needs for City Services



The City will support and adequately plan for the financial needs of the community.

# Strategic Goals

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## Public Safety



The City will provide a safe environment for its citizens  
and visitors.

# Strategic Goals

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## Traffic



The City will endeavor to provide safe, reliable and unfettered movement of people and freight through the City.

# Strategic Alignment Process



# 2010 City Council Goals

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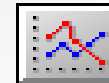
2010

## Infrastructure, Capital Development & Maintenance



- Address Camp Ellis Erosion 
- Remediate Saco Steel Site
- Improve Sound System in the Auditorium

## Meeting the Financial Needs for City Services



- Continue Senior Work Program
- No Tax Increase
- Hold the City/School Budget at Current Level
- Contingency Plan for Downsizing

# 2010 Council Goals - continued

## Growth Management



- Solicit New Business in the Industrial and Business Parks
- Promote Affordable Housing in Saco
- Develop a Strategic Economic Development Plan

## Downtown Revitalization



- Neighborhood Blight Removal
- Continue Support of Saco Spirit

## Meeting New Environmental Regulation Challenges



- Reduce the City and Community's Energy Use

# 2010 Council Goals - continued

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## Traffic



- Solution to Polling Location Traffic and Parking Issue

# 2011 Council Goals

**2011**

## Infrastructure, Capital Development & Maintenance



- Pay as you Go for Roads and Improvements
- New Central Fire Station on North Street
- Continuation of Sidewalks on Route One

## Meeting the Financial Needs of City Services



- Explore the Possibility of Issuing a Quarterly Tax Bill

# 2011 Council Goals - continued

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## Technological Innovation and Implementation



- Make City Website more User Friendly, New Technology for Paperless Payments, and Streaming of Council Meetings

## Meeting New Environmental Regulation Challenges



- Saco Bay Working Group to Continue Working with other Bay Communities.
- Explore Options to Address the Saco Island Wind Mill
- Challenge the Saco Bay Boundary Law
- Decrease Trash by 10%

# Proposed Budget at a Glance

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This proposed budget:

- ✓ Meets the mil rate goals established by the City Council
- ✓ Maintains service levels within the City
- ✓ Manages rising costs
- ✓ Is mindful of economic constraints facing citizens within the City

# Budgetary Highlights

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## **GENERAL**

- No proposed change in the tax rate – excluding the School. Further, the municipal budget will absorb the County’s \$0.03 mil rate increase.
- The budget will remain below the LD1 limit for FY2011.
- No new employees are reflected in the current budget.

# Budgetary Highlights (continued)

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## REVENUES

- ❑ Revenue sharing and other state revenues decline in FY2011.
- ❑ Although we anticipate building inspector revenue will continue to decline due to economic conditions, the department will still cover budgeted expenses.
- ❑ Increased excise revenue budgeted based on the Enterprise rental car activity.
- ❑ Proposed sewer rate increase (\$3.60 to \$4.25).
- ❑ \$834,398 is proposed to be transferred from the Ambulance Fund to cover the debt service cost relating to the new fire station, as well as related operational costs.
- ❑ The budget proposes a draw on fund balance of \$1,448,773, which anticipates an ending fund balance of 8.33% of budget.

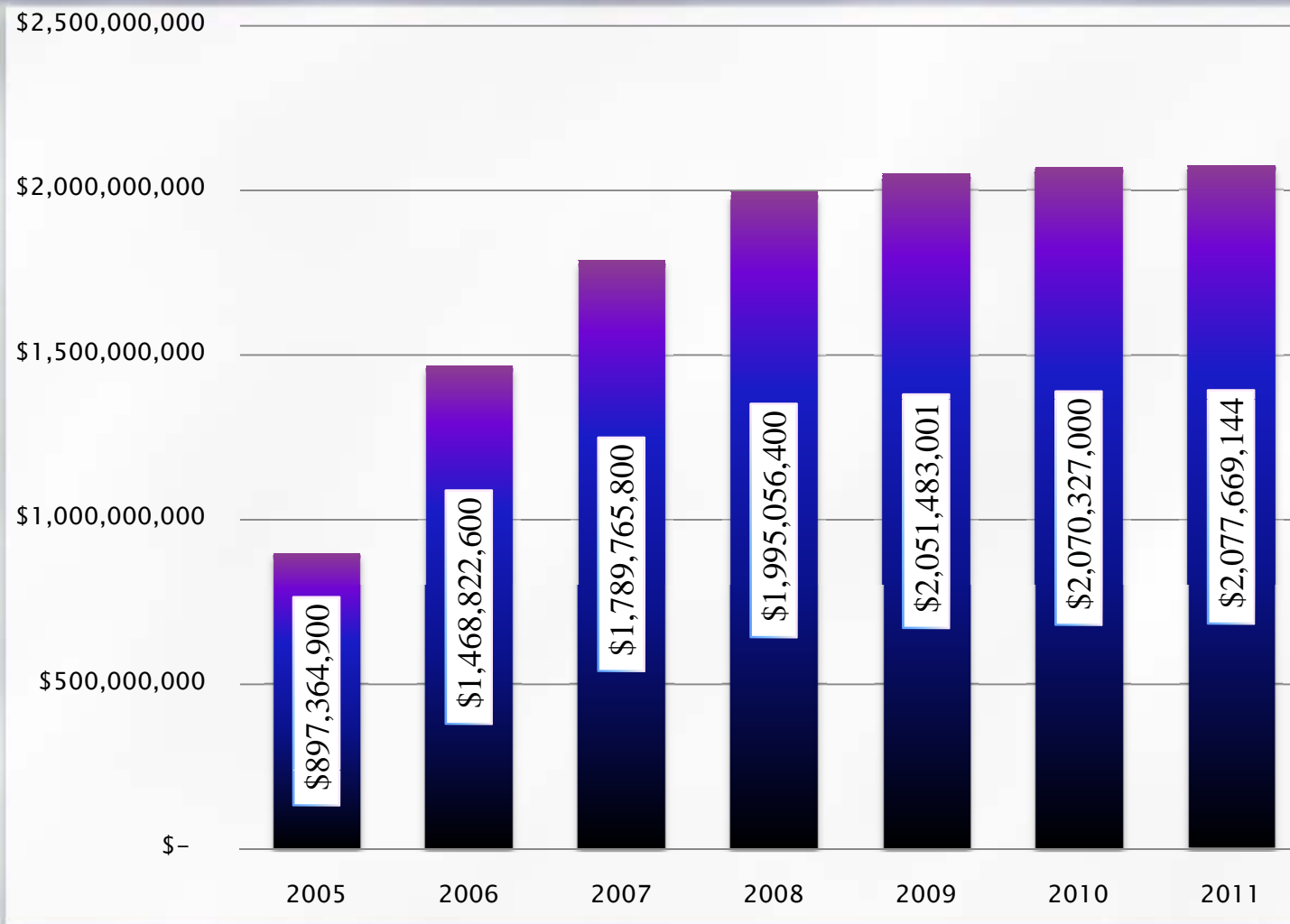
# Budgetary Highlights (continued)

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## EXPENDITURES

- ❑ Only one “essential” capital project budgeted in FY2011. Roads projects will be funded through the general obligation bond.
- ❑ Heating fuel and diesel costs are anticipated to rise from the \$1.77 FY2010 rate to approximately \$2.42.
- ❑ Increased debt service costs reflecting the voter approved construction of the new Central Fire Station, roads bond work and trails bond funding.
- ❑ Personnel budget reflects a 2.7% COLA increase, based on the December Consumer Price Index (CPI).
- ❑ Employee benefits reflects a 10% increase in health insurance rates.
- ❑ Additional contingency budgeted for anticipated retirements in fiscal 2011.

# City Valuation



# Revenue Change – City Only

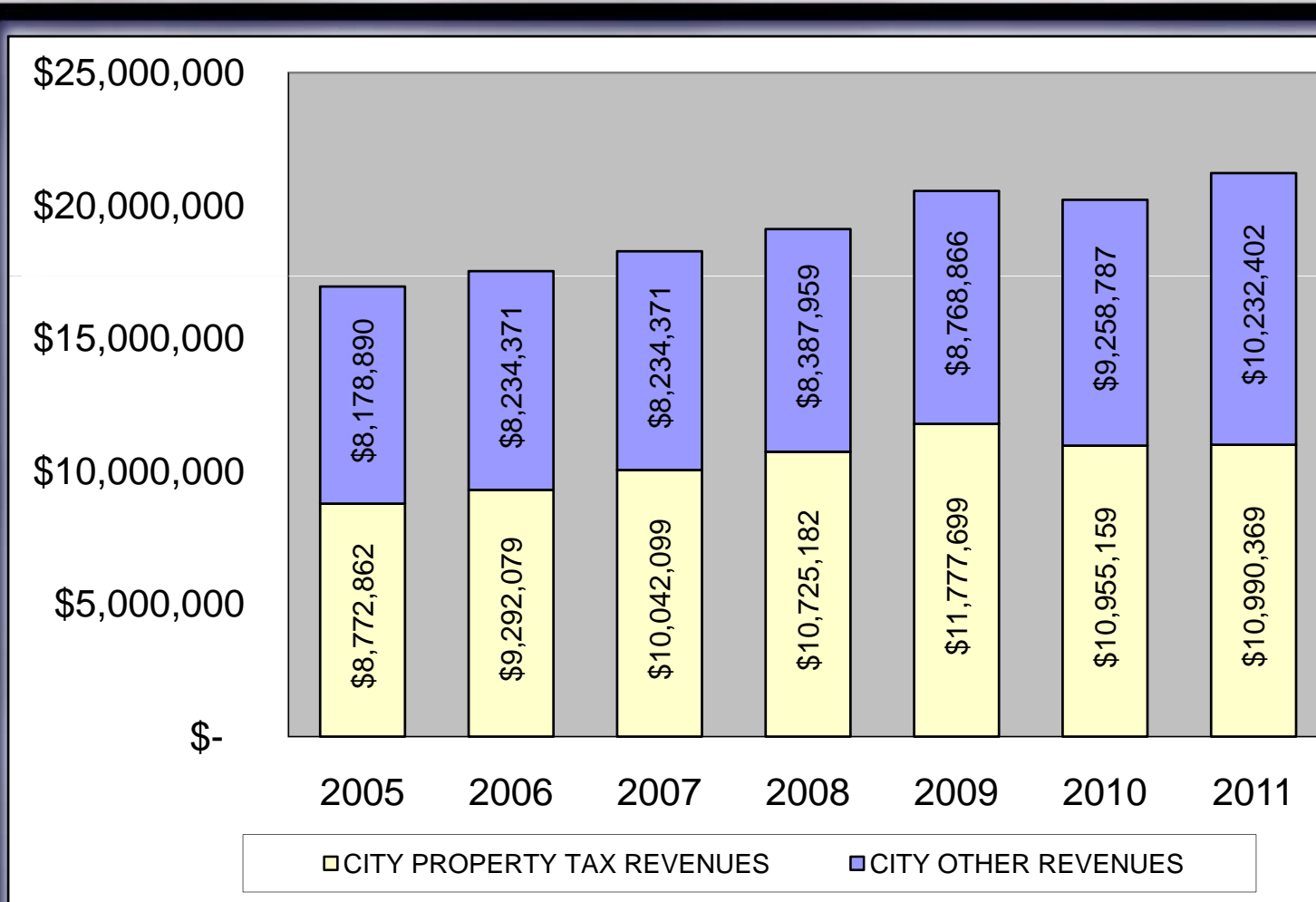
	2010	2011	\$ Change	% change
Other Non Property Tax Revenue	\$ 9,265,125	\$10,232,402	\$ 967,277 *	10.44%
Property Tax Revenue	\$ 9,993,580	\$9,747,254	\$ 213,673	2.24%
<b>TOTAL</b>	\$19,258,705	\$19,979,656	\$ 720,951 *	3.74%

\* Includes draw on undesignated fund balance.

# Where are the changes?

	2010	2011	\$ change
Non-property taxes	\$ 3,086,000	\$ 3,960,000	\$ 874,000
Licenses and permits	\$ 749,700	\$ 668,200	(\$ 61,500)
Intergovernmental revenues	\$ 2,293,629	\$ 1,739,286	(\$ 554,340)
Other revenues	\$ 1,210,600	\$ 1,585,584	\$ 374,984
Utilization of fund balance	\$ 1,147,031	\$ 1,408,363	\$ 261,302

# Revenue source comparison – City only



# Municipal Appropriations

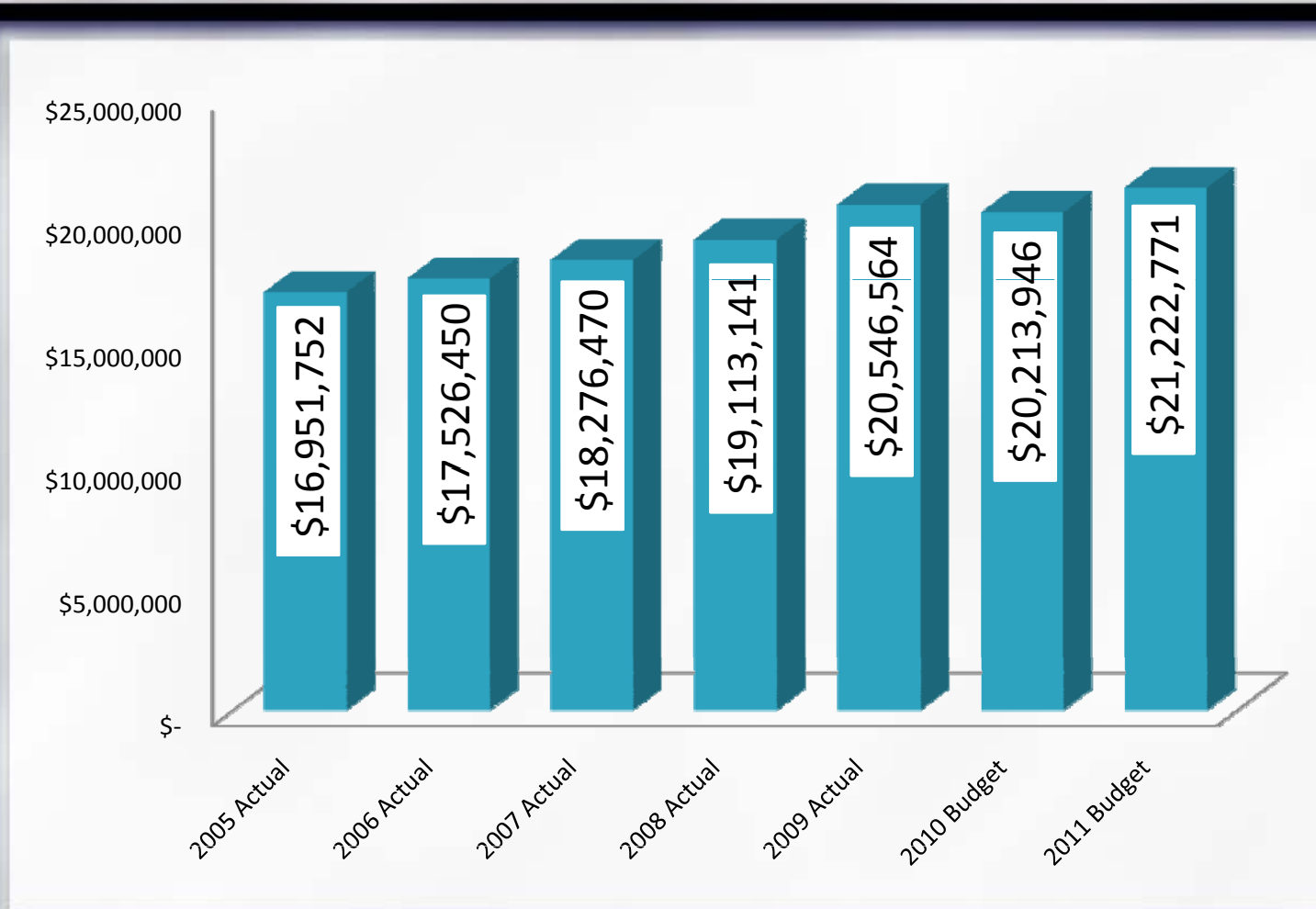
<b>2011</b>	<b>\$ 21,222,771</b>
<b>2010</b>	<b>\$ 20,213,946</b>
<b>Change</b>	<b>\$ 1,008,825</b>
<b>TOTAL</b>	<b>4.99% increase</b>  NOTE: This is only the expenditure increase. This percentage and dollar value change does not reflect revenue decline or the county tax increase.

# Where are the changes?

	2010	2011	\$ change
Police Department	\$ 3,214,803	\$ 3,304,724	\$ 89,921
Public Works	\$ 4,431,581	\$ 4,503,559	\$ 71,978
Debt Service	\$ 1,812,892	\$ 2,479,481	\$ 666,589*
Employee Benefits	\$ 2,527,688	\$ 2,746,416	\$ 218,727
Contingency	\$ 89,241	\$ 175,547	\$ 86,306
Capital Projects	\$ 146,000	\$ 80,000	(\$ 66,000)

\* Debt service includes \$484,398 to be transferred from the Ambulance Fund to cover their portion of the bond project.

# Appropriation History

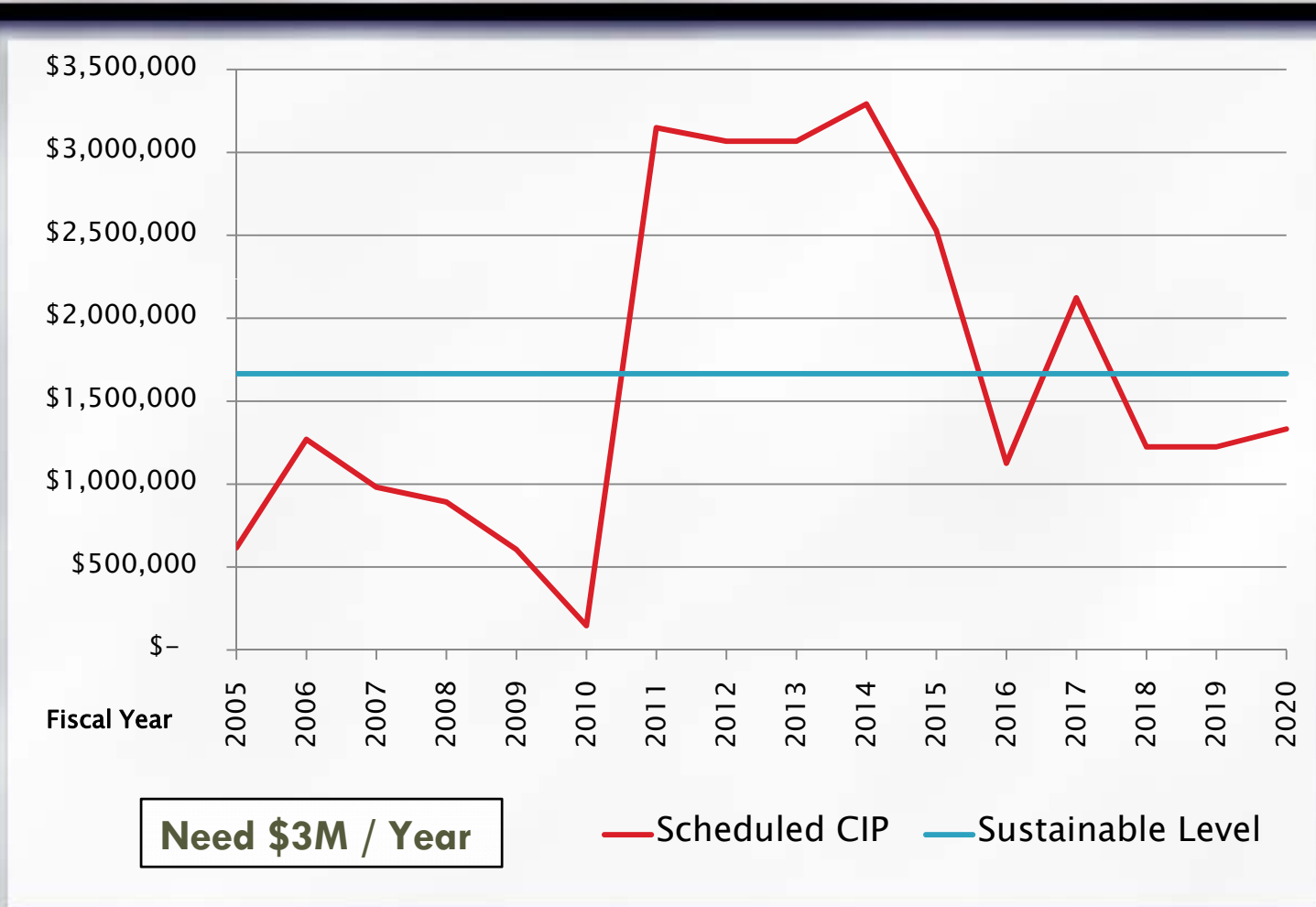


# Proposed Capital Projects

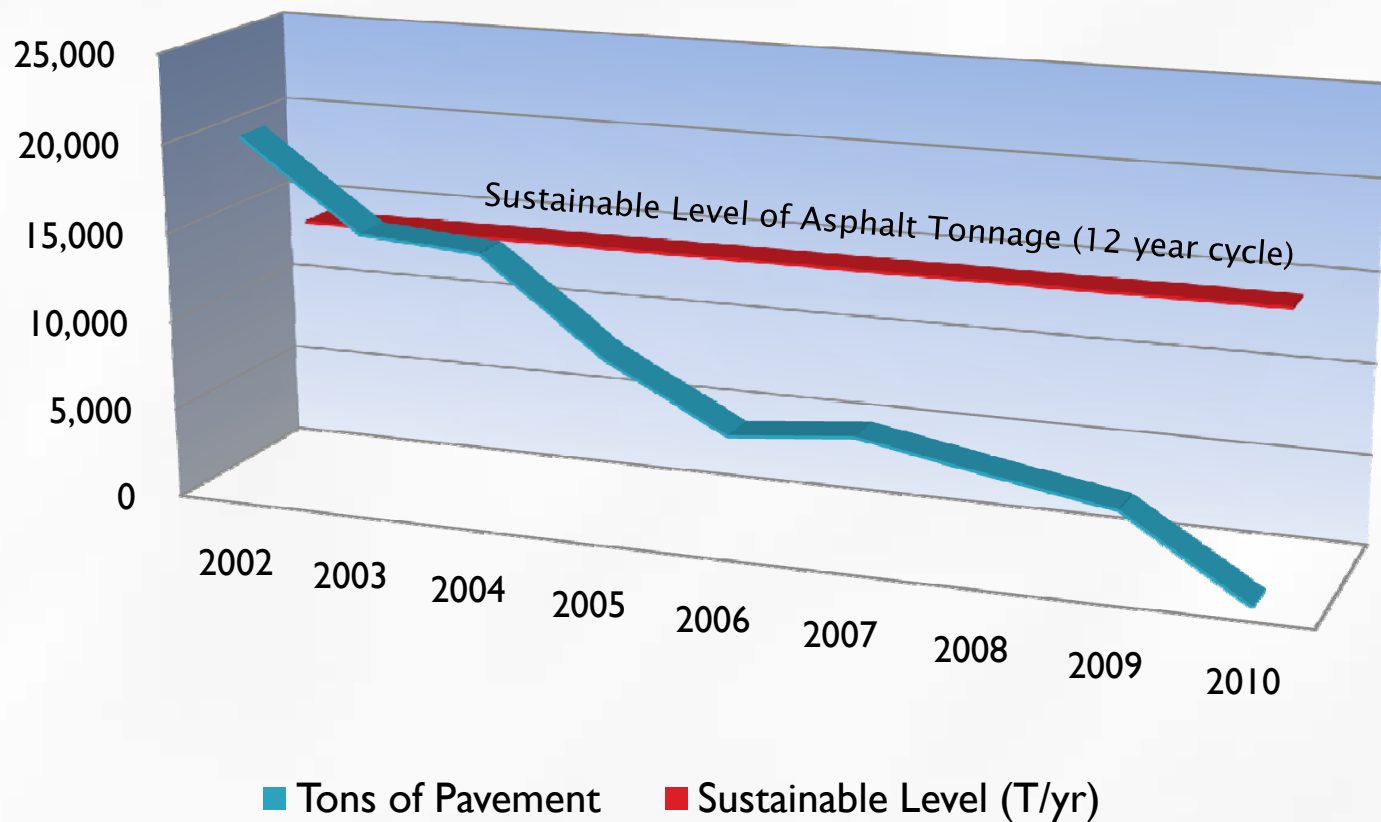
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Edgewater Outfall	<u>\$ 80,000</u>
TOTAL CAPITAL PROJECTS PROPOSED	<u>\$ 80,000</u>

# Capital Improvement History and Needs General Fund



# Pavement Sustainability



# Alternatives to Proposed Budget

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## Contingency Plans

- Prioritize current designated carry-forwards
- Adjust Current Fee Schedule
- Explore Regional Cooperation for Services for cost savings
- Reconsider deferral of Capital Projects
- Borrow Instead of Pay as We Go
- Level of Services reductions
- Establish Criteria to Prioritize Layoffs if deemed necessary
- Increase property taxes

# Alternative #1 – Reconsider Designated carry-forwards

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- ❑ The City's current anticipated designated carry-forwards for the fiscal year ending 6/30/10 total \$1,319,154.
- ❑ Staff recommends lapsing \$663,472 of these projects to undesignated fund balance.

# Alternative #2 – Level of Service Change

Department	# of Employees	Proposed Layoff
Public Works	37	6
Fire Department	39	6
Police Department	36	6
Dispatch	11	2
City Hall	27	4
Parks & Rec	8	1
<b>Total</b>	<b>158</b>	<b>25</b>

These reductions would cover \$1,000,000 uniformly across all departments.

# Alternative #3 – Property Tax increase

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✓ To offset the draw on undesignated fund balance, the municipal tax levy would have to increase by \$1,448,773. This would equate to a \$0.70 increase on the current mil rate of \$13.62. This further assumes no tax levy change from the RSU #23 budget.

# Budget Summary

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This proposed budget:

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# Where Can You Find More Information?

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- This presentation can be found at:  
[www.sacomaine.org](http://www.sacomaine.org) on the home page
- Also on this home page you can find:
  - latest citizen satisfaction survey report
  - latest citizen centric report
- At [www.sacomaine.org](http://www.sacomaine.org), click on Departments, then click Finance, then Finance documents to review:
  - Distinguished budget documents from prior years
  - Comprehensive Annual Financial Reports
  - Annual performance measurement reports
- At [www.sacomaine.org](http://www.sacomaine.org), click on Ordinances and archives, then click annual reports to find Annual reports of the City
- At [www.sacomaine.org](http://www.sacomaine.org), click on Departments, then click Administration and find Strategic Plans