

**Administration**

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**MEMORANDUM**

**TO:** Mayor Lovell and City Council  
**FROM:** Kevin L. Sutherland, City Administrator  
**DATE:** April 22, 2019  
**RE:** **Administrative Update**

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**FY20 Budget Items**

Several budget questions were asked this past week that I'd like to check in on:

**Q:** *On the RAD Calculator, for the Administration position, where is the dollar value for the total? Is it from Reserves or Local Funds?*

**A:** The reason the RAD has a zero dollar amount is that there is no net change to the general fund. The RAD is made available for Council to review as it is a personnel change and the city strives to maintain total transparency when it comes to personnel changes..

**Q:** *Are all union contract expenses covered in the base budget?*

**A:** At the time the budget was developed and submitted to Council, it covered all expenses related to approved union contracts for Fiscal Year 2020. This includes the union contracts in Police (3 units), PW/Parks, and WRRD. Still outstanding are the Fire Department and the Clerical Unit. These and all non-union employees are currently at 1.9% for FY2020 unless contracts are approved. If Contracts are approved between now and the approval of the budget, Council will need to amend the recommended budget to cover any additional expenses above the 1.9%.

**Q:** *Could we save money by switching to other types of Retirement accounts?*

**A:** Yes, there are less expensive retirement options or accounts that require a larger contribution from the employee, but given the state of the current economy it would be ill advised to move in this direction at this time. In addition, it would require several contract negotiations.

Q: *How much has the budget grown in relationship to wages over the course of the last three and three quarter years?*

A: The line item details for each budget line can be found after the RAD section of the department. The details include actuals for Fiscal years 2015 through 2018 and current through February of this fiscal year, as well as the approved amount for Fiscal year 2019 and recommended for fiscal year 2020.

Q: *Is there a City policy on use of bond funds?*

A: There is no city policy on bond funds – it's based on what the bond itself requires. In the case of the Energy and Bridge bonds, the city certified that it would spend 85% of the bond proceeds within 3 years. \$134,250 is 15% of the bond proceeds. Bond proceeds can be held past the 3-year mark as long as they are put in a qualified account with a restricted yield. Bond proceeds may not be transferred to the general fund except in the case that they are covering qualified expenses as approved by the voters. In this case it should be the lessor of the approved amount or actual project costs.

These and previously asked question can be found on the [Budget Questions and Answers](#) website

In addition, supporting documentation related to questions asked of Councilors can be found on the [budget materials](#) page of the website under Phase 4: Budget Deliberation and Public Participation Section and under the date the request was made by a Councilor.

Lastly, as we continue to make updates to the budget, our Finance Director is adding the information in memo format (see Phase 3: Budget Presentation) and further updating the Mill Rate Calculator for Council consideration at the end of the process because at this stage, the recommended budget is the budget that has been submitted. Any further changes/amendments are a majority vote of the Council.

### **FY19 Items**

### **Happy Earth Day**

Today is Earth Day and the City of Saco will be celebrating by providing daily recycling tips on Facebook for the entire week. The main event however, will be this Saturday, April 27<sup>th</sup> in which Parks and Recreation will host a volunteer event to take care of Mother Earth. We are looking for volunteers who would like to help us clean up and prepare the local parks for spring & summer in the morning 9am-12pm: Duties will include: trash pick-up, weeding, raking etc.

We will be looking for volunteers to help us at Pepperell Park, Jubilee Park, The River Walk Trail, Cascade Falls, and Haley Park.

Then at 1pm, we invite everyone (community at large) to attend our Earth Day Celebration at the Saco Community Center. Here we will have local vendors to visit with, snacks to purchase, face painting, music and so much more

It is now a more important time than ever to focus on our green space, clean energy, eliminating waste, and becoming an Eco-friendly community. So please sign up on the Parks and Recreation website [HERE](#).

### **LD 1390 - An Act To Fund Saco Area Traffic Improvements**

Last week, I gave testimony on behalf of the City of Saco at a public hearing of the Joint Committee on Transportation in Augusta on LD 1390. (Here is a [link](#) to the legislation and here is a [link](#) to the Route 112 packet of information I provided for the committee.)

This bill was a request from our area state delegates to allocate \$24 million dollars towards a revised turnpike interchange. Based on the information gathered at the hearing, this bill will either be postponed until next year or voted down. Representatives from the MTA and DOT were also in attendance and provided testimony in opposition to the bill. While they are fully aware of the challenges at this interchange and have been partners with the City of Saco in funding the study and monitoring its progress, they too support making drastic improvements to the area, but the report is still in draft form and they also believe this can be funded through the DOT's transportation fund work plan as well as through the Maine Turnpike Authority (not through the general fund, as requested).

### **Zoning Ordinance Revision Committee**

Since the Community Charrette in February, the committee will have its third meeting tomorrow night April 23<sup>rd</sup> starting at 5pm. They will be continuing to review the list of permitted and conditional uses in each district, determining if the reduction in number of uses is feasible, and updating some of the definitions to be more encompassing. In addition, the committee is considering the consolidation of some of the districts to clean up the zoning map. I would encourage more of the Council to attend and experience the approach and the process we've been engaged in to review this important document.