

General Fund Budget Update

- 1 Overall** - The General Fund Unassigned Fund balance will close the year much higher than originally anticipated thanks to stronger-than-anticipated revenues and lower-than-anticipated expenditures. As of this review, the Net Operating Income for FY2019 is predicted to be \$1.27 million. This was largely because revenues were \$1.5 million above budget. Economic growth, much stronger than predicted, helped the City earn far more than anticipated on items like interest earnings, excise, development fees, and state revenues. Under-spends were related to open positions in certain departments as well as Fringe benefits lines that had not been audited against actual employee selections for some time. This total is still pending the City's annual audit.
- 2 Assessor** - 96.9% of budget spent. Assessing spent much of the year with only one full time headcount. Payments made under contracted services to temp help compensated for the underspend on salary lines.
- 3 Building Maintenance** - 103.8% of budget spent, \$2464 over budget. Heating fuel for City Hall came in \$3631 over budget
- 4 Capital Projects** - The Assigned Fund Balance for Capital Projects will be transferred to the new Capital Projects account in FY2020, so this item will be fully spent each year going forward. For FY2019, the City rolled forward \$1.9 million in assigned fund balance related to capital projects from FY2018. For FY2020, the City will roll forward \$1.6 million from FY2019.
- 5 City Administration** - 96.8% of budget spent. The Grants & Projects Specialist position was left vacant from February through the end of the fiscal year.
- 6 City Clerk** - 95.4% of budget spent. The City Clerk's office was generally under budget across all line items for FY2019.
- 7 Code Enforcement** - 90.4% of budget spent. The second code enforcement position was not filled until February of this year.
- 8 Contingency** - 105.7% of budget spent, \$28,329 over budget. \$12,805 of the overspend is associated with Unit 91 expenses that occurred before sale of the property closed. The remaining overspend is due to higher than anticipated legal fees, which have been expended out of this account as they have occurred.
- 9 Council** - 103.4% of budget spent, \$580 over budget. The travel and training lines were overspent. Although supplies were underspent to compensate for the overage, it was not enough to bring the department in under budget. The updated Council budget for FY2020 will solve this challenge.
- 10 Finance** - 95.6% of budget spent. Base pay was over budgeted (this has been corrected in FY2020). Travel & Training was under budget due to the timing of annual conferences.
- 11 Fire/Ambulance** - 97.3% of budget spent. Employee turnover allowed the department to come in under budget. However, the overtime lines were overspent.
- 12 Fringe Benefits** - Fringe benefits came in \$221,079 under budget. By rolling forward increases, rather than analyzing benefits cost at the employee level, the city has overbudgeted fringe benefits. This was corrected for the FY2020 budget.
- 13 Information Technology** - 92.1% of budget spent. Licensing fees came in lighter than anticipated. With the reallocation of licensing costs to departmental budgets in FY2020, this will be easier to track.
- 14 Insurance** - 119.4% of budget spent, \$39,504 over budget. Insurance has been consistently under budgeted the last few budget cycles. The realignment of insurance renewals with the fiscal year returned \$161K from non-spendable fund balance to cash, which more than compensates for the \$39K over budget. Additionally, the Finance Director has audited the allocation of insurance premium between the city and school and found that the city was paying too high a portion of premiums. This will save \$63,406 in FY2020 and should bring our insurance premiums in line with budget going forward.
- 15 Parks & Recreation** - 102.2% of budget spent, \$38,794 over budget. Higher than anticipated participation in popular programming for seniors and children required more expenditures in supplies and overtime. This is more than covered by higher-than-budgeted program revenues, which came in nearly \$80K above budget. In essence, Parks & Recreation ended the year net favorable by \$41,117.
- 16 Planning & Economic Development** - 96.2% of budget. This department experienced significant turnover in FY2019. The savings on the economic development specialist role was matched by a lower transfer from the Economic Development Fund.
- 17 Police Department** - 95.2% of budget. Several positions were open for a significant portion of the year. A portion of this was compensated for by overtime, which was \$100K over budget. Savings elsewhere include \$11K saved on electricity and \$18K in savings on maintenance.
- 18 Public Works** - 97.7% of budget. Due to the new public works facility and the need to spend down bond proceeds, there has been less bandwidth for recurring maintenance projects. The end of year underspend of \$134,778 is tighter than the \$180,000, which was used to forecast the General Fund Balance for the approved budget book.

- 19 Solicitor** - 101.9% of budget spent, \$2,309 over budget. As mentioned previously, the City is dealing with significantly higher legal fees than anticipated.
- 20 Supported Entities** - The conservation commission, Coastal Waters Commission, and Economic Development Commission did not spend their full respective budgets.
- 21 Transfer Expense** - 113.5% of budget, \$184,826 over budget. TIF transfers came in \$160K over budget. The remaining overspend is related to the call firefighter retirement fund, and is covered by \$8000 in savings in the Fire Department and use of committed fund balance.
- 22 Assessor** - \$19K in tree growth tax. This item is hard to predict and was therefore not budgeted for in FY2019.
- 23 Building Rentals** - \$19,556 below budget. Accounts receivable is continuing to work to receive the last of the rent owed by the former tenants of the Train Station.
- 24 Cable Television Franchise** - 107.7% of budgeted revenues. Subscription rates have been higher than anticipated.
- 25 City Clerk** - 101% of budgeted revenues. After tracking behind much of the year, the City Clerk ended the year with fees right on target.
- 26 Code Enforcement** - 159.7% of budgeted revenues, \$259,234 above budget. The strong economy has boosted available funding for both business and residential projects.
- 27 Federal Assistance** - Thanks to the hard work of Public Works, in collaboration with HR and Emergency Services, the City was granted \$509,269.53 in FEMA compensation for expenses incurred during the 2018 March Nor'easter. This is \$186,743 above anticipated funding. Public Works has expressed an interest in re-appropriating this incremental revenue from the unassigned fund balance for the creation of a Hazard Mitigation Fund to offset future expenses related to natural disasters.
- 28 Finance Revenues** - 95.9% of budgeted revenues. Lien Fees came in under budget.
- 29 Interest Earnings** - 252.4% of budgeted revenues, \$348,901 above budget! The city has benefitted immensely from a strong repo market in FY2019.
- 30 Planning & Economic Dev** - 219.5% of budgeted revenues, \$89,614 above budget. Finance and Planning collaborated to investigate where planning fees were being deposited in the General Ledger. This exercise uncovered \$96K in revenues that had been erroneously deposited in a liability account. With the fix in place, the City now has visibility into the revenue associated with a strong economy and economic development in Saco. This revenue also reflects fees paid directly to the City for the services of our Site Inspector, approved as part of the FY2019 budget process.
- 31 Police Department Revenues** - 107.3% of budget revenues. The new parking enforcement officer was able to increase revenues, as forecasted, coming in nearly \$10K over budget. False Alarm Fines also came in higher than budgeted thanks to the updated fee schedule.
- 32 Public Works (Excise Tax)** - 115% of budgeted revenues, \$654,601 above budget. Car sales remained strong in FY2019, boosting our Excise Tax revenue.
- 33 Real and Personal Property** - 98.5% of budget, \$492,561 below budget. The Assessor has boosted the overlay for FY2020, so we should not come up short again next year. This gap is more than compensated for by strong Excise, Interest, and State revenues.
- 34 Sale of City Assets** - 98.5% of budget. Aside from the sale of Unit 91, the City budgets a placeholder of \$10,000 each year. This year, we did not have \$10K in assets to sell.
- 35 State Revenues** - 108.1% of budget, \$218,545 above budget. Homestead, BETE, and Revenue Sharing all came in higher than anticipated.
- 36 Transfer Revenue** - 121% of budget, \$220,161 above budget. \$275,133 was transferred from the remaining balance on the energy bond to compensate the General Fund for expenses incurred for the Middle School boiler.
- 37 Unallocated** - 19.5% of budget. The higher budget was related to slush from accounts receivable reconciliations. The budget has been adjusted for FY2020.

General Fund Budget Update

Target through June
100.0%

Net Operating Income (Use of Fund Balance)	1,273,882	
<i>plus</i> Use of Designated Fund Balance	253,947	
<i>less</i> Increase in Designated Fund Balance	(50,964)	
Net Change in Undesignated Fund balance	1,476,864	
<i>plus</i> Undesignated Fund balance beginning of Year	6,289,422	<i>11.27% of Adopted budget</i>
Fund City General Fund	Undesignated Fund Balance Curr	7,766,286 <i>13.92% of Adopted budget**</i>

Type	Department	FY2018 Actual	FY2019 Adopted	FY2019 Budget	FY2019 Actual	FY2019 Encum	FY2019 Total Spent	% of Budget Spent	Actual vs. Target*
Expense	Assessor	194,032	212,888	219,361	212,250	341	212,590	96.9%	(6,770)
	Building Maintenance	106,555	133,582	64,328	61,601	5,191	66,791	103.8%	2,464
	Capital Projects	3,316,646	2,804,971	4,681,819	2,849,499	17,748	2,867,247	61.2%	
	City Administration	288,501	365,096	391,875	370,184	9,255	379,440	96.8%	(12,435)
	City Clerk	301,768	316,609	340,665	322,727	2,252	324,979	95.4%	(15,685)
	Code Enforcement	333,617	307,465	330,688	297,639	1,376	299,016	90.4%	(31,673)
	Contingency	301,728	165,482	496,554	524,829	54	524,883	105.7%	28,329
	Council	15,361	16,627	16,977	17,378	178	17,557	103.4%	580
	County Tax	1,293,389	1,206,722	1,206,722	1,197,241	0	1,197,241	99.2%	(9,482)
	Federal Assistance	0	0	0	0	0	0		0
	Finance	478,468	468,562	469,103	445,557	2,794	448,351	95.6%	(20,751)
	Fire/Ambulance	3,099,819	3,228,186	3,317,433	3,197,661	29,377	3,227,038	97.3%	(90,394)
	Fringe Benefits	3,722,906	4,366,537	4,080,757	3,858,418	1,261	3,859,679	94.6%	(221,079)
	Human Resources	140,069	180,125	212,923	179,478	32,770	212,247	99.7%	(676)
	Information Technology	430,522	543,871	669,436	526,232	90,176	616,408	92.1%	(53,028)
	Insurance	226,506	203,750	203,750	243,254	0	243,254	119.4%	39,504
	Overlay	0	0	0	0	0	0		0
	Parks & Recreation	1,616,770	1,705,835	1,739,863	1,741,152	37,506	1,778,658	102.2%	38,794
	Planning & Econ Dev	391,278	477,067	462,076	406,937	37,430	444,367	96.2%	(17,709)
	Police Department	3,791,620	3,930,056	4,008,814	3,800,225	14,222	3,814,446	95.2%	(194,368)
	Public Works	5,425,046	5,458,871	5,951,474	5,539,239	277,457	5,816,696	97.7%	(134,778)
	School Budget	23,706,762	27,267,360	27,267,360	27,267,360	0	27,267,360	100.0%	(0)
	Solicitor	165,871	141,670	119,671	115,712	6,267	121,979	101.9%	2,309
	Supported Entities	838,334	966,269	973,169	969,116	0	969,116	99.6%	(4,053)
	Transfers	2,516,859	1,323,765	1,366,696	1,551,522	0	1,551,522	113.5%	184,826
Expense Total		52,702,426	55,791,367	58,591,514	55,695,211	565,654	56,260,865	96.0%	

*Actual vs. target is calculated based on actuals versus % of the year elapsed actuals or versus total budget if actuals are greater than budget.

**May be lower at years' end.

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Net Operating Income (Use of Fund Balance) 1,273,882

plus Use of Designated Fund Balance 253,947

less Increase in Designated Fund Balance (50,964)

Net Change in Undesignated Fund balance 1,476,864

plus Undesignated Fund balance beginning of Year 6,289,422 *11.27% of Adopted budget*

Fund City General Fund Undesignated Fund Balance Curr 7,766,286 13.92% of Adopted budget**

Type	Department	FY2018 Actual	FY2019 Adopted	FY2019 Budget	FY2019 Actual	FY2019 Encum	FY2019 Total Spent	% of Budget Spent	Actual vs. Target*
Revenue	Assessor	3,292	(0)	(0)	19,526	(0)	19,526		19,526
	Budgeted Use Of Surplus	(0)	190,130	710,284	(0)	(0)	(0)	0.0%	
	Building Rentals	67,066	55,990	55,990	36,434	(0)	36,434	65.1%	(19,556)
	Cable Television Franchise	358,422	274,860	274,860	295,924	(0)	295,924	107.7%	21,064
	City Clerk	112,507	131,664	131,664	132,930	(0)	132,930	101.0%	1,266
	Code Enforcement	628,619	434,126	434,126	693,360	(0)	693,360	159.7%	259,234
	Federal Assistance	(0)	(0)	(0)	186,743	(0)	186,743		186,743
	Finance	146,731	136,945	136,945	131,359	(0)	131,359	95.9%	(5,586)
	Fire/Ambulance	(0)	(0)	(0)	(0)	(0)	(0)		(0)
	Fringe Benefits	(30)	(0)	(0)	(8,077)	(0)	(8,077)		(8,077)
	Interest Earnings	219,137	228,880	228,880	577,781	(0)	577,781	252.4%	348,901
	Parks & Recreation	903,474	920,184	920,184	1,000,095	(0)	1,000,095	108.7%	79,911
	Planning & Econ Dev	77,609	75,000	75,000	164,614	(0)	164,614	219.5%	89,614
	Police Department	143,660	146,444	146,444	157,189	(0)	157,189	107.3%	10,745
	Public Works	4,457,901	4,282,797	4,282,797	4,937,398	(0)	4,937,398	115.3%	654,601
	Real And Personal Property	42,052,752	44,601,051	44,601,051	44,108,490	(0)	44,108,490	98.9%	(492,561)
	Sale Of City Assets	7,818	10,000	341,012	336,026	(0)	336,026	98.5%	(4,986)
	State Assistance	2,627,967	2,699,993	2,699,993	2,918,538	(0)	2,918,538	108.1%	218,545
	Transfers	1,024,487	1,544,461	1,049,113	1,269,274	(0)	1,269,274	121.0%	220,161
	Unallocated	2,660	58,843	58,843	11,489	(0)	11,489	19.5%	(47,354)
Revenue Total		52,834,075	55,791,367	56,147,185	56,969,093	0	56,969,093	101.5%	

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