



CITY MANAGER'S ADOPTED FY 2014 BUDGET



Presented to:
Mayor Thomas Blake
South Portland City Council

Presented by:
James H. Gailey
City Manager

July 1, 2013

CITY OF SOUTH PORTLAND

Adopted FY 2014 Budget

City Council

Thomas Blake, Mayor

Gerard Jalbert
Melissa Linscott
Linda C. Cohen
Alan Livingston
Michael R. Pock
Patricia Smith

City Manager

James H. Gailey

July 1, 2013

**CITY OF SOUTH PORTLAND
ADOPTED FY 2014 BUDGET
TABLE OF CONTENTS**

	<u>PAGE</u>		<u>PAGE</u>
INTRODUCTION			
MANAGER'S BUDGET MESSAGE	i		
GENERAL FUND		WATER RESOURCE PROTECTION	
EXPENDITURE SUMMARY	1	EXPENDITURE SUMMARY	116
REVENUE SUMMARY	3	REVENUE SUMMARY	117
GENERAL GOVERNMENT		SEWER USE ADMINISTRATION	118
CITY COUNCIL	7	TREATMENT PLANT	121
EXECUTIVE	9	PUMPING STATIONS	129
CITY CLERK	12	SEWER USE BILLING	135
CORPORATION COUNSEL	15	SEWER EQUIPMENT RESERVE	137
FINANCE DEPARTMENT	17	SEWER MAINTENANCE	139
INFORMATION TECHNOLOGY	21	ENGINEERING	146
PLANNING DEPARTMENT	25	DEBT	151
HUMAN RESOURCES	28	COMPLIANCE ADMINISTRATION	153
CITY BUILDING	31	SLUDGE DISPOSAL	157
PUBLIC SAFETY		RETIREMENT & INSURANCE	159
POLICE DEPARTMENT	34	ENTERPRISE & GRANT FUNDS	
FIRE DEPARTMENT	41	EXPENDITURE SUMMARY	162
PUBLIC SAFETY COMMUNICATIONS	47	REVENUE SUMMARY	163
CODE ENFORCEMENT	50	GOLF COURSE	165
CIVIL SERVICE	53	YOUTH PROGRAMS	170
PUBLIC WORKS		PRE-SCHOOL	176
PUBLIC WORKS ADMINISTRATION	55	VACATION CAMP	178
STREETS & SIDEWALKS	57	SUMMER SPORTS CAMP	180
RUBBISH DISPOSAL	60	SUMMER RECREATION CAMP	183
PUBLIC WORKS GARAGE	62	ADULT LEAGUES	186
TRANSFER FACILITY	64	SENIOR PROGRAMS	188
CULTURE & RECREATION		ADULT PROGRAMS	190
MAIN LIBRARY	66	BOAT RAMP ENTERPRISE	192
BRANCH LIBRARY	70	PORTLAND STREET PIER	194
PARKS & REC ADMINISTRATION	73	ART IN THE PARK	196
PARKS	75	STREET OPENINGS	198
POOL	82	SEWER IMPACT FEES	201
RECREATION	86	COMMUNITY TELEVISION	203
TRANSPORTATION & WATERFRONT		WESTBROOK ASSESSING	206
BUS SERVICE	92	T.I.F. DISTRICT	207
WATERFRONT	96	GRANTS	208
HEALTH, WELFARE & SOCIAL SERVICES		APPENDIX	
WELFARE ADMINISTRATION	98	APPENDIX	208
WELFARE - GENERAL ASSISTANCE	100		
HEALTH	102		
OTHER			
RETIREMENT & INSURANCE	104		
DEBT - GENERAL OBLIGATION	106		
DEBT - PENSION OBLIGATION	108		
CONTINGENCY ABATEMENT & RESERVE	110		
MUNICIPAL FACILITIES	112		
COUNTY TAX			
COUNTY TAX	114		



Executive Department

**James H. Gailey
City Manager**

July 15, 2013

Mayor Thomas Blake
South Portland City Council
25 Cottage Road
South Portland, Maine 04106

Subject: Adopted FY 2014 Budget

Dear Mayor Blake and City Councilors:

In accordance with §502 of the City Charter, I am hereby submitting the adopted Fiscal Year 2014 Budget. This budget includes General Fund appropriations for municipal operations, school operations, Cumberland County tax. Additionally, this budget includes the Sewer User Fund, Enterprise Fund and Grant Funds budgets. The total proposed operating budget for the City of South Portland for FY 2014 is \$88,933,214 an increase of \$2,715,811 or 3.15% from the current year FY2013 budget.

Table I
Total Budget Across All Funds
Comparison FY 2013 and FY 2014

	FY13 <u>Adopted</u>	FY14 <u>Adopted</u>	Dollar <u>Change</u>	%
General Fund	72,027,775	74,599,789	2,572,014	3.57%
Sewer User Fund	5,398,483	5,458,977	60,494	1.12%
Enterprise Fund	6,237,525	6,493,191	255,666	4.10%
Grant Fund	<u>2,553,620</u>	<u>2,381,257</u>	<u>(172,363)</u>	<u>-6.75%</u>
	86,217,403	88,933,214	2,715,811	3.15%

External Scanning: The Economy

An understanding of the city's long-term financial picture and the regional economy is an important part of the budget process. In order to do long-term financial planning, staff must make certain assumptions about the outlook of the economy. Changes in the very nature of economic activity can affect city resources as we have experienced for the coming fiscal year.

The following are highlights:

- ❑ Non-property tax revenues are staying flat with a few exceptions.
- ❑ Both commercial and residential properties have leveled out market wise, with many indications that both markets are on a positive upswing.
- ❑ External attacks at local and state budget practices seen to have no end in sight. With the State of Maine taking aim at local government's revenue streams.

City Council Budget Guidance

On February 27, 2013, the Superintendent and City Manager updated the City Council on the status of the FY14 budget process. Right from the start, city administration was working with a 2.87% increase (\$496,182), which largely covered employee COLA's, State Retirement, health insurance and reductions in revenues. This increase did not account for individual department's requests. Annually, the City Council has committed itself to a number of goals while adopting the budget:

- ❑ Maintain existing public goods and services the public has come to rely on
- ❑ Provide high "value" where "value" means high quality at a reasonable price
- ❑ Maintain a multi-year sustainable financial strategic plan
- ❑ Provide fewer services well, than many services poorly
- ❑ Recognize the public does not appreciate paying for poor service

In December of 2012, I asked the City's Department Heads to present a budget which reflected a 1.0% to 1.5% increase in expenditures from the current budget year. Not having had the opportunity to seek Council guidance at this time, I felt 1.0% was a good starting point for the departments. By no means was it an easy task. In all the departments, the increase was consumed by personnel expenditures. Department Heads submitted budget requests totaling \$29,250,221 an increase of \$664,224 or 2.32%. As in past years, the proposed departmental budgets excluded any special projects.

The economic times have presented a number of challenges, which we are still feeling the effects. Low interest rates on the City's investments have reduced investment interest revenue by another \$100,000.

In January, the City Council met to provide budget guidance to both School and City. The results of the meeting yielded both budgets the opportunity to grow by 6 cents on the tax rate. For the City, 6 cents equaled \$198,000 (\$33,000 per penny on tax rate). To put this in prospective, the City's Health Insurance increased by \$255,000 alone. Having the ability to increase the budget, we were still faced with very difficult decisions throughout the budget process. Past year's reductions and eliminations have had an impact on the organization and over time these reductions have put pressure on the

ability to provide the outstanding services that our public has come to expect. We are constantly evaluating how we are providing public service. Through the evaluation we explore efficiencies and new processes in hopes of providing better services to the residents and businesses of South Portland.

Key Reductions to meet City Council Guidance

Municipal Paving	-\$80,000	Public Works
Employee Training	-\$13,000	Human Resources
Contracted Services	-\$37,500	City Council, Executive, IT, Planning & Finance
GPCOG Membership	-\$25,002	
Visiting Nurses Assoc.	-\$35,131	
Home Health Nurses	-\$ 5,197	
Deputy Parks & Rec	-\$45,600	Net of position reduction

The Potential Impacts from State of Maine

Governor LePage’s proposed biennium budge in February of 2103 proposed many cuts, cuts directly impacted local governments. State Revenue Sharing, Commercial Excise, and the elimination of the Business Equipment Tax Rebate (BETR) are three areas that if cut, would have significantly impacted revenues for the municipal governments across the state. In the end, the full slate of cuts was not experienced by the municipalities; however, some cuts were made that impacted the local taxpayer outside of the tax rate. The box below provides an indication of what South Portland faced for possible cuts by the State of Maine.

Program	FY13 Revenue	Proposed Loss	Tax Rate Impact
State Revenue Sharing	\$1,800,000.00	(\$1,800,000.00)	0.533
BETR to BETE	\$1,904,518.28	(\$761,807.31)	0.225
Commercial Excise	\$424,540.00	(\$424,540.00)	0.125
Homestead Exemption	(\$190,080.00)	\$190,000.00	(0.056)
Total	\$3,938,978	(\$2,796,267)	\$0.828

The LePage Administration also singled out two other programs that would have impacted local residents in their effort to pay their tax bill. The Homestead Exemption and State Circuit Breaker Program are both programs that provide residential property owners a reduction/reimbursement of their taxes paid. As both programs went through an exhaustive process in the Legislature, ultimately the State Circuit Breaker Program was the program eventually cut. The Program has been revamped and no longer provides a maximum return amount of \$1,600. The new program will be available in January of each year and will be part of the Tax Form 1040ME, a change from the stand-alone application process of the Circuit Breaker Program. The new program referred to as the “Property Tax Fairness Credit” reduced the adjusted gross income down to under \$40,000 a year and provides a maximum of \$300 reimbursement for those less than 70 years of age and \$400 reimbursement for those over 70 years of age. In the Legislatures action to eliminate the Circuit Breaker Program, the Legislature also eliminated the ability for Maine communities like South Portland to conduct a local circuit breaker program. This was a clear oversight by the Legislature and a problem that hopefully will be fixed in the coming short legislative session.

Final Budget Changes:

In preparation of the final FY14 budget, the City Council established a “parking lot” list of budget items they wanted to include back within the budget. This list was developed during individual department’s budget reviews and not all departments received funding from the developed list.

The approved State of Maine budget resulted in a loss of \$651,585 in FY14 State Revenue Sharing (\$751,117 in FY15) for South Portland. South Portland historically has never fully budgeted State Revenue due to the multiple formula factors which goes into the distribution of the funds. This resulted in the true impact to the local budget of \$506,798.

The \$506,798 reduction in State Revenue Sharing was covered by the following Revenue/Expenditures:

Increase in Fund Balance	\$150,000
Increase in Excise Tax Revenue	\$200,000
Delta from Revenues & Expenditures	\$ 22,798
Adjustment in GF Paving	\$ 4,000
Increase in Building Permit Revenue	\$ 55,000
Increase in Transit Fare Box Revenue	\$ 10,000
Increase in BETE Reimbursement	\$ 50,000
Increase in Ambulance Fee Revenue	<u>\$ 15,000</u>
	\$506,798

New revenues were experienced between the time I submitted the budget to the City Council and the City Council budget wrap-up meeting in June. The Federal Transit Agency (FTA), ecomaine and the experience of increased auto excise revenues allowed for the City Council to consider adding items back into the budget, which were previously slated for elimination.

Revenues (New):

FTA Section 5307 Transit Funding (from 159K to 339K)	\$180,000
120k in savings from Tipping Fees at ecomaine (effective July 1, 2013)	\$120,000
New auto excise revenue	<u>\$100,000</u>
	<u>New Revenues</u>
	\$400,000

Expenditures Restored (Parking Lot List)

	<u>Restored</u>	<u>Previously Cut</u>
Restore Paving	\$ 96,000	\$ 80,000
Restore VNA	\$ 15,000	\$ 36,000
Restore GPCOG Membership	\$ 25,002	\$ 25,002
Restore Fire Vehicle Supplies	\$ 5,000	\$ 5,000
Restore training account	\$ 8,000	\$ 13,000
Cost of Living Wages COLA	\$ 91,200 (July)	\$ 30,000 (Jan)
Add Local Circuit Breaker	\$ 13,000	\$ 0.00
Enhanced Bus Service	<u>\$120,000</u>	\$ 0.00 (added)
	\$373,202	

An Economic Development budget was also been presented. For the City to have a strong economic development presence, we need to properly fund the activity. Funding for the budget is proposed to come from TIF funding, having no impact on the tax rate.

Marketing	\$9,500
Memberships (GPEDC)	\$6,000
Events/Shows	\$6,000
Advertising	\$3,000
Travel/Mileage/Meal	\$5,500
Technology & Phone	<u>\$1,500</u>
	\$31,500

Tax Stabilization Contribution - Use of Fund Balance

For the fourth straight year staff is proposing to use a portion of fund balance to balance the budget. The Council accepted staff’s revised proposal to use \$400,000 in FY 2011 and develop a tiered step-down approach over a four year period to gently absorb the impact back into the general fund budget. Since the FY11 budget, staff and the Council has not been able to take the first step and reducing the annual allocation out of fund balance. For FY14, staff recommends funding the tax rate stabilization fund at the \$550,000 due to the need to increase as result of the state budget cut experienced.

ADOPTED BUDGET FY14

General Fund

The General Fund is the largest portion of the budget with a total appropriation request of \$74,599,789. The General Fund includes the property tax supported services for municipal operations, the School Department, and taxes levied by Cumberland County.

Table II
Total General Fund
Comparison FY 2013 and FY 2014

	FY13	FY14	Dollar	
	<u>Adopted</u>	<u>Adopted</u>	<u>Change</u>	<u>%</u>
Municipal	\$28,585,997	29,082,149	496,152	1.74%
School –Operating	40,016,741	43,002,556	2,985,815	7.46%
School -High School Reserve	1,350,000	300,000	-1,050,000	-77.78%
County	2,075,037	2,215,084	140,047	6.75%
	<u>\$72,027,775</u>	<u>74,599,789</u>	<u>2,572,014</u>	<u>3.57%</u>

School Department

The School Department’s expenditures are \$43,002,556. The budget is up \$2,985,815 or 7.46%. Included in this year’s School Operating Budget is the first full year’s bond payments totaling \$2,237,100 for FY14. This is the fourth year the City raises revenue to capitalize the High School Construction Reserve account but at a much lower amount of \$300,000.

On the Revenue side of the School Department budget, non-property tax revenues area \$5,015,662, which is an increase of \$1,281,569 or 34.30% compared to FY2013.

After the school budget was approved by City Council and the voter school budget validation, the School Department was given notice of additional State Education subsidy. As a result of this the City Council amended the appropriation resolve in mid July to recognize an additional \$300,000 of revenue and applied such revenue to offset the tax requirements of the \$300,000 for the High School Construction Reserve. This resulted in lowering the overall school tax rate by 9 cents.

Cumberland County

Cumberland County's property tax assessment for FY2014 is \$2,215,084, an increase of \$140,047 or 6.75% (see appendix for Cumberland County budget summary).

Municipal Departments

The second largest component of the General Fund budget is municipal programs and services. In the most recent community survey, 95.8% of the responders were "very satisfied" or "satisfied" with the quality of life in South Portland. Many quality of life indicators point to service delivery in the community one lives in as playing a role in the quality of life for the individual or family. The City of South Portland provides high quality municipal services for the resources provided, which the most recent survey reinforced.

The City's budget appropriation is divided into the following six major expenditure categories:

Personnel Services. The major expenditures of personnel services include salaries, wages, overtime, pension and health benefits, workers' compensation and unemployment insurance, and disability and life insurance. Personnel costs account for 69.87% of the total budget. The budget includes limited wage increases for union and non-union employees. The personnel services budget is \$20,318,803, an increase of \$649,917 or 3.30% over FY2013.

Contracted Services. Contracted services include the City's cost of water, sewer, electricity, street and traffic lights, building and equipment maintenance, rent and leases, rubbish disposal costs at ecomaine, curbside solid waste and recycling contract with a private contractor, and the City's Contingency Account. Contracted services are \$4,572,454, a decrease of \$199,844 or -4.19%. Contracted services represent 15.72% of the total general fund appropriation.

Supplies. Supplies include construction material, equipment and vehicle parts, road sand and salt, gas, oil, heating fuel, library books and periodicals, and office and printing supplies. Supplies are proposed at \$1,991,762, an increase of \$55,727 or 2.88%. Supplies represent 6.85% of the total general fund appropriation.

Fixed Charges. Fixed charges include tax abatements, general and commercial liability insurance, automobile and property insurance, and dues and memberships. Fixed charges are down \$10,002 or -1.54%. Fixed charges represent 2.20% of the city's general fund budget.

Debt. The Debt Service budget includes annual bond principal and interest payments on the City's outstanding debt obligations. It also includes lease payments relating to energy improvements. This

year there will be a \$30,319 or -2.88% reductions in bonded debt service payments. Debt Service represents 3.51% of the total general fund appropriation.

Capital Outlay and Transfers. The Capital Outlay and Transfers budgets include appropriations for the replacement of vehicles and equipment greater than \$500, but less than \$25,000. The proposed capital outlay budget represents 1.85% of the municipal total General Fund appropriation. Historically, capital outlay requests included funding of capital reserves Police Department motor vehicles, equipment replacement; technology reserve accounts, and the Municipal Building Reserve Account. The proposed capital outlay and transfers budgets for FY2014 are \$507,001.

Table III
Municipal General Fund Appropriation
By Expenditure Category
Comparison FY 2013 and FY 2014

	FY13	FY14	Dollar	
	<u>Adopted</u>	<u>Adopted</u>	<u>Change</u>	<u>%</u>
Personnel	19,668,886	20,318,803	649,917	3.30%
Contractual Services	4,772,298	4,572,454	-199,844	-4.19%
Supplies	1,936,035	1,991,762	55,727	2.88%
Fixed Charges	650,900	640,898	-10,002	-1.54%
Debt	1,051,550	1,021,231	-30,319	-2.88%
Property Tax Reimbursements	15,000	30,000	15,000	50.00%
Transfers Out	215,673	242,996	27,323	12.67%
Capital Outlay	275,655	264,005	-11,650	-4.23%
Total	28,585,997	29,082,149	496,152	1.74%

Another way to look at the overall municipal appropriation request is on a programmatic basis by major functional area. The City's General Fund appropriation is divided into the following major functional areas:

Table IV
Municipal General Fund Appropriation By Function
Comparison FY 2013 and FY 2014

	FY13	FY14	Dollar	
	<u>Adopted</u>	<u>Adopted</u>	<u>Change</u>	<u>%</u>
Public Safety	9,850,159	10,001,343	151,184	1.51%
Insurance and Retirement	5,908,250	6,332,900	424,650	7.18%
Public Works	4,339,822	4,244,024	-95,798	-2.21%
Culture and Recreation	3,134,542	3,079,657	-54,885	-1.75%
General Government	2,777,601	2,792,035	14,434	0.52%
Debt	1,051,550	1,021,231	-30,319	-2.88%
Transportation and Waterfront	1,011,484	1,132,503	121,019	11.96%
Health and Welfare	365,589	333,456	-32,133	-8.79%
Contingency and Reserves	147,000	145,000	-2,000	-1.36%
Total	28,585,997	29,082,149	496,152	1.74%

Municipal General Fund Revenues

On the revenue side of the Municipal General Fund budget, total non-property tax revenues are estimated at \$9,584,130, a decrease of \$17,597 or -0.18%.

Table V
Distribution of Municipal Non Property Revenues
Comparison FY 2013 and FY 2014

	FY13	FY14	Dollar	
	<u>Adopted</u>	<u>Adopted</u>	<u>Change</u>	<u>%</u>
Excise Tax	4,225,000	4,525,000	300,000	7.10%
State Revenue Sharing	1,800,000	1,290,000	-510,000	-28.33%
Fee for Service	1,477,511	1,554,840	77,329	5.23%
Investment Income	500,000	400,000	-100,000	-20.00%
Licenses Permits & Fines	777,850	825,150	47,300	6.08%
Payments in Lieu of Taxes	236,426	236,650	224	-0.09%
General Assistance	119,500	115,000	-4,500	-3.77%
Other	465,440	637,490	172,050	36.97%
Total	9,601,727	9,584,130	-17,597	-0.18%

Municipal Needs from Property Taxes

With expenditures of \$29,082,149 and non-property tax revenues of \$9,584,130 the total need from property taxes for FY2014 to support municipal services is \$17,473,019, an increase of 1.18%.

Table VI
Municipal Needs from Taxes
Total Needs from Taxes
Comparison FY 2013 and FY 2014

	FY13	FY14	Dollar	
	<u>Adopted</u>	<u>Adopted</u>	<u>Change</u>	<u>%</u>
Municipal Expenditures	28,585,997	29,082,149	496,152	1.74%
Use of Fund Balance	400,000	550,000	150,000	37.50%
Use of BETE	850,000	1,000,000	150,000	17.65%
Homestead	465,000	475,000	10,000	2.15%
Non Property Tax Revenue	9,601,727	9,584,130	-17,597	-0.18%
Needs from Taxes	17,269,270	17,473,019	203,749	1.18%

School Needs from Property Taxes

The total need from property taxes for FY2014 to support the School Department is \$37,111,894, or 1.45% increase over FY2013.

Table VII
School Department Total Needs from Taxes
Comparison FY 2013 and FY 2014

	FY13	FY14	Dollar	
	<u>Adopted</u>	<u>Adopted</u>	<u>Change</u>	<u>%</u>
School Expenditures	40,016,741	43,002,556	2,985,815	7.46%
Use of Fund Balance	-1,050,000	-875,000	-175,000	-16.66%
Non Property Tax Revenue	-3,734,093	-5,015,662	1,281,569	34.32%
Needs from Taxes Operating	35,232,648	37,111,894	1,879,247	5.33%
HS Project Reserve	1,350,000	300,000	-1,050,000	-77.78
Non Property Tax Revenue	- 0-	-300,000	-300,000	
Total Needs from Tax Education	36,582,648	37,111,894	529,246	1.45%

Total Needs from Property Taxes

The total need from property taxes to support municipal, school and county services is \$56,799,997, an increase of \$873,042 or 1.56%.

Table VIII
General Fund Total Needs from Taxes
Comparison FY 2013 and FY 2014

	FY13	FY14	Dollar	
	<u>Adopted</u>	<u>Adopted</u>	<u>Change</u>	<u>%</u>
Municipal	17,269,270	17,473,019	203,749	1.18%
School	35,232,648	37,111,894	1,879,246	5.33%
High School Project	1,350,000	-	-1,350,000	-100.00%
County	2,075,037	2,215,084	140,047	6.75%
Needs from taxes	55,926,955	56,799,997	873,042	1.56%

Estimated and Final Property Tax Rate

With a valuation estimated on June 17, 2013 of \$3,389,000,000, the property tax rate was estimated at the time of initial approval to be \$16.85 per thousand. Due to the early date of this process and the complexities of the city's valuation base, this figure was the best estimate at the time. Valuations have since been finalized for FY14 and committed with a valuation of approximately \$3,401,000,000. Together with the additional State Education revenues the property tax rate was lowered to \$16.70 per thousand.

Table IX
City Tax Rate Comparison
Comparison FY 2013 and FY 2014

	FY13	FY14		%
	<u>Adopted</u>	<u>Estimated (1)</u>	<u>Committed (2)</u>	
Municipal	5.10	5.16	5.14	1.27%
School	10.39	10.95	10.91	6.73%
High School Reserve	0.40	0.09	-	-100.00%
County	0.61	0.65	0.65	6.56%
Total	16.50	16.85	16.70	1.21%

1. Estimated at time of initial passage based on preliminary valuation of \$3,389,000,000
2. Base on final valuation estimate at time of commitment of \$3,401,000,000. Upon the school department receiving notice City Council amended the appropriation resolve recognizing an additional \$300,000 in school subsidies to offset the \$300,000 contribution to the High School Reserve.

Sewer User Fund

The Sewer User Fund Budget Appropriation for FY2014 is \$5,458,977 an increase of \$60,494 or 1.12%.

Table X
Sewer User Fund Expenditures
Comparison FY 2013 and FY 2014

	<u>FY 2013</u>	<u>FY 2014</u>	<u>Dollar</u>	<u>Percent</u>
	<u>Adopted</u>	<u>Adopted</u>	<u>Change</u>	<u>Change</u>
Administration	152,278	155,033	2,755	1.81%
Compliance Admin.	90,695	93,598	2,903	3.20%
Debt	28,458	28,458	0.00	-
Engineering	180,646	187,912	7,266	4.02%
Equipment Reserve	1,496,553	1,536,160	39,607	2.65%
Pump Stations	518,068	520,500	2,432	0.47%
Retirement & Insur.	695,707	729,106	33,399	4.80%
Sewer Maintenance	730,492	742,068	11,576	1.58%
Sewer Use Billing	195,270	194,885	-385	-0.20%
Sludge Disposal	356,615	361,070	4,455	1.25%
Treatment Plant	<u>953,701</u>	<u>910,187</u>	<u>-43,514</u>	<u>-4.56%</u>
Total	5,398,483	5,458,977	\$60,494	1.12%

Table XI
Sewer User Fund Revenues
Comparison FY 2013 and FY 2014

	<u>FY 2013</u> <u>Adopted</u>	<u>FY 2014</u> <u>Adopted</u>	<u>Dollar</u> <u>Change</u>	<u>Percent</u> <u>Change</u>
Interest & Penalties	1,000	1,000	0.00	0.00%
Industrial Compliance Fees	57,496	59,166	1,670	2.90%
Residential/Commercial User Fees	3,987,200	4,048,711	61,511	1.54%
Industrial User Fees	1,227,787	1,225,100	-2,687	-0.22%
Cape Elizabeth Contribution	125,000	125,000	0.00	0.00%
Use of Surplus	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00%</u>
Total	5,398,483	5,458,977	60,494	1.12%

The proposed residential sewer user rate will increase from \$4.48 to \$4.57 per hundred cubic feet of water (PHCF) a 2.01% increase over FY13.

Enterprise Fund Budgets

The municipal Enterprise Fund comprises self-funded programs and activities utilizing the revenue generated from program participants. The Enterprise Fund Budget total is \$6,493,191 an increase of \$255,666 or 4.10%.

Table XII
Municipal Enterprise Fund Budget
Comparison FY 2013 and FY 2014

	FY 2013 Adopted	FY 2014 Adopted	Dollar Change	Percent Change
TIF District	\$3,187,650	3,224,711	37,061	1.16%
Debt Service Fund	\$121,875	282,900	161,025	132.00%
Golf Course	\$217,519	\$230,979	13,460	6.18%
Summer Rec. Camp	\$215,418	\$227,402	11,984	5.56%
Youth Adult Rec. Programs*	\$276,115	\$224,401	-51,714	-18.72%
Community Television	\$216,400	\$190,485	-25,915	-11.98%
Westbrook Assessing	\$186,468	\$184,208	-2,260	-1.21%
Pre-School	\$106,076	\$103,648	-2,428	-22.88%
Street Openings	\$82,507	\$95,575	13,068	15.84%
Senior Rec. Programs*	\$0	\$40,900	40,900	100.00%
Sewer Impact Fees	\$39,531	\$40,346	815	1.02%
Adult Rec. Programs*	\$0	\$35,925	35,925	100.00%
Summer Sports Camp	\$34,256	\$34,256	0.00	0.00%
Portland St. Pier	\$27,340	\$27,340	0.00	0.00%

Art in the Park	\$22,675	\$22,675	0	0.00%
Adult Leagues	\$19,847	\$19,847	0	0.00%
Boat Ramp	\$10,423	\$10,737	314	3.01%
Vacation Camp	\$11,345	\$10,496	-849	-7.48%
School Lunch Fund	<u>\$1,462,080</u>	<u>\$1,486,360</u>	<u>24,280</u>	<u>1.66%</u>
Total	\$6,237,525	\$6,493,191	\$255,666	4.10%

*Broken out as separate program for FY2014

Grant Fund Budget

The Grant Fund Budget tracks those programs and activities funded directly by grants, state or federal government, or other sources. The total FY2014 Municipal Grant Fund Budget is \$2,381,257, a decrease of \$172,363 or -6.75%.

Table XIII
Grant Fund Budget
Comparison FY 2013 and FY 2014

	FY 2013 Adopted	FY 2014 Adopted	Dollar Change	Percent Change
Local Road Assist- MDOT	351,000	356,000	5,000	1.42%
Community Dev. Block Grant	389,216	425,626	36,410	9.35%
Supp Homeland Security	227,500	107,000	-120,500	-52.97%
School Part II Grants Budget	<u>1,585,904</u>	<u>1,492,631</u>	<u>-93,273</u>	<u>-5.88%</u>
Total	2,553,620	2,381,257	-172,363	-6.75%

Conclusion

Sincere appreciation is expressed for the cooperation received from city employees in every department. Thank you to all department heads who have done an excellent job of coordinating the budget process, providing the analysis for informed decision-making, and preparing the budget documents. *Thank you.*

Sincerely,

A handwritten signature in black ink, appearing to read "James H. Gailey". The signature is fluid and cursive, with a large initial "J" and a long, sweeping tail.

James H. Gailey
City Manager
City of South Portland

cc. South Portland City Council
South Portland School Board
Suzanne Godin, Superintendent of Schools
Department Heads