



# CITY MANAGER'S ADOPTED FY 2015 BUDGET



Presented to:  
Mayor Gerard Jalbert  
South Portland City Council

Presented by:  
James H. Gailey  
City Manager

July 1, 2014

# **CITY OF SOUTH PORTLAND**

## **Adopted FY 2015 Budget**

### **City Council**

Gerard Jalbert, Mayor

Thomas Blake  
Melissa Linscott  
Linda C. Cohen  
Maxine Beecher  
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Patricia Smith

### **City Manager**

James H. Gailey

**July 1, 2014**

**CITY OF SOUTH PORTLAND  
ADOPTED FY 2015 BUDGET  
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**Executive Department**

**James H. Gailey  
City Manager**

July 31, 2014

Mayor Gerard Jalbert  
South Portland City Council  
25 Cottage Road  
South Portland, Maine 04106

Subject: Adopted FY 2015 Budget

Dear Mayor Jalbert and City Councilors:

In accordance with §502 of the City Charter, I am hereby submitting the Proposed Manager's Fiscal Year 2015 Budget. This budget includes General Fund appropriations for municipal operations, school operations and Cumberland County tax obligation. 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 FY2015 is \$92,140,103 an increase of \$3,206,889 or 3.61% from the FY14 budget.

Table I  
Total Budget Across All Funds  
Comparison FY 2014 and FY 2015

	FY2014	FY2015	Dollar	
	<u>Adopted</u>	<u>Adopted</u>	<u>Change</u>	<u>%</u>
General Fund	74,599,789	77,380,358	2,780,569	3.73%
Sewer User Fund	5,458,977	5,512,553	53,576	0.98%
Enterprise Funds	6,493,191	6,847,955	354,764	5.46%
Grant Funds	2,381,257	2,399,237	17,980	0.76%
	88,933,214	92,140,103	3,206,889	3.61%

### ***External Scanning: The Economy***

An understanding of the city's financial picture and the regional economy is an important part of the budget process. In order to do 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.

### ***City Council Budget Guidance***

On January 15, 2014, the Superintendent and City Manager updated the City Council on the status of the FY15 budget process. From the start, city administration was dealing with a 7.58% increase (\$1,474,503), largely due to the pending Legislature discussion on State Revenue Sharing. South Portland was slated to lose upwards of \$800,000 in revenue (represents 4.53% in increase) if the Legislature had not pass a bill to close the whole left in the FY15 budget pertaining to State Revenue Sharing. Fortunately, the Legislature acted and mitigated the State Revenue Sharing cut to local communities.

Other large increases impacting the FY15 budget include Cost of Living Wages, Retirement, Health Insurance and the continued reductions in various revenues. A number of positions (four) previously grant funded, partially funded, or funded through enterprise accounts were in need to be fully funded in the FY15 general fund budget.

- Police Officer (Detective) Position – Previously MDEA Grant funded – needs funding for 6 months
- Police Officer Position – Previously COPS Hiring Grant funded – needs funding for 6 months
- Deputy Fire Chief – Previously Homeland Security Grant funded – needs funding to make whole
- Parks Maintainer Position – Previously Golf Course Enterprise funded – need to move to General Fund

Annually, the City Council has committed itself to a number of goals while working through 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

The City Council provided both the schools and city an opportunity to grow their respective budgets by 2.5-3.5%. The City's FY15 LD#1 number is 3.15% (1.09% Average Personal Income Growth & 2.06% Property Growth Factor).

Increases in department's budgets were largely in building maintenance, vehicle/fleet related, utilities, and personnel. As in past years, the proposed departmental budgets excluded any special projects; however, this year we continued to explore ways of adding capital based projects back into the General Fund budget. Building on the current year budget, the FY15 budget incorporates an additional \$504,000 in the Paving Reserve, which is off-set by increasing the Auto Excise Revenue projection. The City Council reinstated a Fire Truck Reserve within the General Fund through a contribution of \$50,000. The Fire Department's vehicle replacement schedule has several high price vehicles coming to the end of their useful lives. Replacing these vehicles will be a necessity in the coming years and anything that can be set aside now towards the very expensive replacements will reduce the amount of possible borrowing in the future. Lastly, a contribution of \$50,000 was allocated towards the Community Services Facility slated to begin construction over the next 24 months. These funds came from the savings associated with the City Council refinancing existing bonds.

The most recent economic downturn still lingers in some regard. Low interest rates on the City's investments have reduced investment interest revenue by \$50,000 in the FY15 budget. The City's allocation from State Revenue Sharing experienced another decrease; this time \$100,000 in FY15.

Having the ability to increase the budget through Council guidance, staff was able to off-set some of the increases in personnel (adding positions in due to grants expiring), utilities and loss of revenue. Still Council and staff faced some very difficult decisions throughout the budget process.

**Revenue Impacts:**

Tax Stabilization Program	- \$50,000	Building Permits	+ \$30,000
Investment Income	- \$50,000	Ambulance Revenue	+ \$20,000
Int. & Fees on Delinquent Taxes	- \$10,000	Transit Fare Box	+ \$9,960
Cable TV Franchise	- \$18,000	Auto Excise	+\$100,000
State Revenue Sharing	-\$100,000	BETE Reimbursement	+\$100,000
Interest & Penalties	- \$10,000	Program Fees	+ \$15,000

**Budget Additions/Deletions - Notable Mentions**

Paving Program	+ \$504,000 (second year of adding back into budget)
Fire Truck Reserve	+ \$50,000 (adding back in for first time since 2003)
Cost of Living Adjustment	+ \$280,000 (based on 2%)
Ecomaine Assessments	- \$320,000 (elimination of annual assessment to members)
Recycling Cost Share	+ \$40,000 (new revenue share program at ecomaine)
Debt Savings	- \$29,320 (savings associated with retiring debt)
Police Cruiser	+ \$27,000 (restoring a FY14 budget cut of 1 cruiser)
Parks Temporary Employees	+ \$15,000 (additional funding for seasonal employees)

### **Tax Stabilization Contribution - Use of Fund Balance**

In the FY14 budget the use of Fund Balance increased from \$400,000 to \$550,000. Since FY11, the annual contribution has been \$400,000 and fearing we were going in the wrong direction, both staff and the City Council agreed that in FY15 an effort be made to reduce the use of Fund Balance within the General Fund budget. The FY15 Budget includes a reduction of \$50,000 from the use of Fund Balance.

### **Current Year Adjustments**

During the FY14 fiscal year, I authorized the hiring of an additional firefighter within the Fire Department. This has been an exercise the Finance Director, Fire Chief and I have been working through for a number of years. In FY15 the position will be funded through a reduction in the overtime, a slight decrease to the call company account and an increase in the ambulance revenue. No impact on the tax rate will be experienced through the hiring of the position. Hiring an additional firefighter will bring more shift staff, but also provide for additional coverage if others are sick, on vacation or at training; ultimately saving on the use of overtime. Currently the department does not hire overtime during the day if there is an employee who calls out sick. The EMS Coordinator, Deputy Chiefs and the Chief fill in if needed making sure appropriate staffing levels are met. Overtime is used if the daytime numbers drop below 13 firefighters and always during the nighttime hours. Salary for the employee came from existing vacancy salary savings.

I have also authorized the creation of an additional sergeant position within the Police Department. This position will be filled by a current staff member and will not result in an additional position within the department. The budget impact is the difference between a patrol officer (with 10 years of service) and a first year sergeant. This sergeant will have oversight of the community policing division and will serve as backup to other sergeants who are either out at training, on vacation or out sick. The budget increase in this promotion will come from overtime savings and the differential between retiring officer's salaries and hiring new officers. The increase in salary is \$6,500 a year.

### **New Positions to Budget**

Engineer – The budget includes a half funded engineer position out of the General Fund (on tax rate). The other half of the position is proposed to be funded through the Sewer User Budget (not on tax rate). The funding request is for the hiring of the position in January of 2015. The FY16 budget will be increased for the second half of the position. This is seen as an important position for the Public Works and Water Resource Protection Department's in order to handle the day to day engineering for the City. The position would provide a resource to Public Works to handle road and sidewalk conditions/improvements and to be available for design and/or inspection for other departments retaining some of this work in-house and not hiring the City's outside engineering contractor. As the Water Resource Protection Department continues to move through an aggressive CSO mitigation schedule, additional inspection and construction oversight will be necessary. Currently one engineer and one CADD technician are on staff and funded through the Sewer User account. The General Fund and Street Opening budget supports an engineer inspector position, working out of the Planning & Development Department overseeing the residential, commercial and industrial development and street openings within the city.

Public Works Employee – The FY15 budget proposes a new laborer position in the budget. The position will help off-set workload in the department during the winter and summer months. The Public Works Department budget has been reduced over the last 25 years from a working force of over 50 employees down to 18 employees today. With the increased summer workload on the rehabilitation of streets and sidewalks and the lack of available drivers to cover all the winter plow routes, an additional full-time employee will play immediate dividends.

## **ADOPTED BUDGET FY2015**

### **General Fund**

The General Fund is the largest portion of the budget with a total appropriation request of \$77,380,358. 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 2014 and FY 2015

	<u>FY14</u>	<u>FY15</u>	<u>Dollar</u>	<u>%</u>
	<u>Adopted</u>	<u>Adopted</u>	<u>Change</u>	
Municipal	29,082,149	30,247,620	1,165,471	4.01%
School Operating	43,002,556	44,804,796	1,802,240	4.19%
School HS Project Reserve	300,000	-	(300,000)	-100.00%
County	2,215,084	2,327,942	112,858	5.09%
	74,599,789	77,380,358	2,780,569	3.73%

### **School Department**

The School Department’s expenditures are \$44,804,796. The budget is up \$1,802,240 or 4.19%. Included in this year’s School Operating Budget is the last tax rate increase relating to the high school project.

On the Revenue side of the School Department budget, non-property tax revenues are \$5,732,662, which is an increase of \$717,000.

The School Department’s received FY2015 General Purpose Aid for Education is \$5,275,585, down roughly \$182,151 from the FY14 actual revenue.

### **Cumberland County**

Cumberland County’s property tax assessment for FY15 is \$2,327,942, an increase of \$112,858 or 5.09%.

### **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 68.72% of the total budget. The budget includes limited wage increases for union and non-union employees. The personnel services budget is \$20,786,990, an increase of \$718,187 or 3.58% over FY2014.

*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 \$4,343,968, a decrease of \$236,395 or -5.16%. Contracted services represent 14.36% of the total general fund appropriation. The ecomaine elimination in member community assessments was a large contributor of the reduction in Contracted Services.

*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 \$2,015,722, an increase of \$23,960 or 1.20%. Supplies represent 6.66% 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 represent \$660,656 in the budget up \$19,758 or 3.08%. Fixed charges represent 2.18% of the city's general fund budget. The largest increase in Fixed Charges is "rent" in the General Assistance budget in the amount of \$10,000.

*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 -\$80,439 or -7.88% reductions in bonded debt service payments. Debt Service represents 3.11% 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 2.96% 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 adopted capital outlay and transfers budgets for FY2015 are \$895,805 up \$631,800 or 239.31%. As part of the final adjustments to the budget, council shifted the funding of the paving program back to the general fund to be offset by additional excise revenue. FY15 projects include \$50,000 to the Fire Truck Reserve, \$108,000 for Police Cruiser and \$600,000 for paving which have contributed to the increase in the Capital Outlay budget.

Table III  
Municipal General Fund Appropriation  
By Expenditure Category  
Comparison FY 2014 and FY 2015

	FY14 <u>Adopted</u>	FY15 <u>Adopted</u>	Dollar <u>Change</u>	<u>%</u>
Personnel	20,068,803	20,786,990	718,187	3.58%
Contractual Services	4,580,363	4,343,968	(236,395)	-5.16%
Supplies	1,991,762	2,015,722	23,960	1.20%
Fixed Charges	640,898	660,656	19,758	3.08%
Debt	1,021,231	940,792	(80,439)	-7.88%
Property Tax Reimbursements	30,000	45,000	15,000	50.00%
Intergovernmental (Joint Dispatch)	265,000	335,000	70,000	26.42%
Transfers Out	220,087	223,687	3,600	1.64%
Capital Outlay	264,005	895,805	631,800	239.31%
Total	29,082,149	30,247,620	1,165,471	4.01%

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 2014 and FY 2015

	FY2014 <u>Adopted</u>	FY2015 <u>Adopted</u>	Dollar <u>Change</u>	<u>%</u>
Public Safety	10,001,343	10,312,295	310,952	3.11%
Insurance and Retirement	6,332,900	6,646,700	313,800	4.96%
Public Works	4,244,024	4,529,989	285,965	6.74%
Culture and Recreation	3,079,657	3,244,551	164,894	5.35%
General Government	2,792,035	2,894,368	102,333	3.67%
Debt	1,021,231	940,792	(80,439)	-7.88%
Transportation and Waterfront	1,132,503	1,128,508	(3,995)	-0.35%
Health and Welfare	333,456	353,417	19,961	5.99%
Contingency and Reserves	145,000	197,000	52,000	35.86%
Total	29,082,149	30,247,620	1,165,471	4.01%

### **Municipal General Fund Revenues**

On the revenue side of the Municipal General Fund budget, total non-property tax revenues are estimated at \$10,162,161, an increase of \$578,031 or 6.03%. This increase is largely due to the additional excise revenue being recognized and funding the paving reserve expenditure.

Table V  
Distribution of Municipal Non Property Revenues  
Comparison FY 2014 and FY 2015

	FY2014	FY2015	Dollar	
	<u>Adopted</u>	<u>Adopted</u>	<u>Change</u>	<u>%</u>
Excise Tax	4,525,000	5,125,000	600,000	13.26%
State Revenue Sharing	1,290,000	1,190,000	(100,000)	-7.75%
Fee for Service	1,554,840	1,604,100	49,260	3.17%
Investment Income	400,000	350,000	(50,000)	-12.50%
Licenses, Permits and Fines	825,150	812,650	(12,500)	-1.51%
Payments in lieu of taxes	236,650	240,250	3,600	1.52%
General Assistance	115,000	115,000	-	0.00%
Other	637,490	725,161	87,671	13.75%
Total	9,584,130	10,162,161	578,031	6.03%

**Municipal Needs from Property Taxes**

With expenditures of \$30,247,620 and non-property tax revenues of \$10,162,161 the total need from property taxes for FY15 to support municipal services is \$18,007,459, an increase of 3.06%.

Table VI  
Municipal Needs from Taxes  
Total Needs from Taxes  
Comparison FY 2014 and FY 2015

	FY2014	FY2015	Dollar	
	<u>Adopted</u>	<u>Adopted</u>	<u>Change</u>	<u>%</u>
Municipal Expenditures	29,082,149	30,247,620	1,165,471	4.01%
Use of Fund Balance	550,000	500,000	(50,000)	-9.09%
Use of BETE	1,000,000	1,100,000	100,000	10.00%
Homestead	475,000	478,000	3,000	0.63%
Non Property Tax Revenue	9,584,130	10,162,161	578,031	6.03%
Needs from Taxes	17,473,019	18,007,459	534,440	3.06%

**School Needs from Property Taxes**

The total need from property taxes for FY15 to support the School Department is \$38,395,017 a 3.46% increase over FY14.

Table VII  
School Department Total Needs from Taxes  
Comparison FY 2014 and FY 2015

	FY2014	FY2015	Dollar	
	<u>Adopted</u>	<u>Adopted</u>	<u>Change</u>	<u>%</u>
School Expenditures	43,002,556	44,804,796	1,802,240	4.19%
Use of Fund Balance	(875,000)	(677,117)	197,883	-22.62%
Nonproperty Tax Revenue	(5,015,662)	(5,732,662)	(717,000)	14.30%
Needs from Taxes Operating	37,111,894	38,395,017	1,283,123	3.46%
High School Project Reserve	300,000	-	(300,000)	-100.00%
Non-property Tax Revenue	(300,000)	-	300,000	-100.00%
Needs from Taxes HS Project	-	-	-	-
Total Needs from Tax Education	37,111,894	38,395,017	1,283,123	3.46%

**Total Needs from Property Taxes**

The total need from property taxes to support municipal, school and county services is \$58,730,418, an increase of \$1,930,421 or 3.40%.

Table VIII  
General Fund Total Needs from Taxes  
Comparison FY 2014 and FY 2015

	FY2014	FY2015	Dollar	
	<u>Adopted</u>	<u>Adopted</u>	<u>Change</u>	<u>%</u>
Municipal	17,473,019	18,007,459	534,440	3.06%
School	37,111,894	38,395,017	1,283,123	3.46%
High School Reserve	-	-	-	0.00%
County	2,215,084	2,327,942	112,858	5.09%
Needs from taxes	56,799,997	58,730,418	1,930,421	3.40%

Estimated and Final Property Tax Rate

With the valuation estimated on June 16, 2014 of \$3,410,000,000, the FY15 property tax rate was estimated at \$17.23 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 that time. Valuations have since been finalized for FY15 and committed with a valuation of approximately \$3,425,000,000 along with actual Business Equipment Tax Exemption (BETE) and Homestead revenue coming from the State exceeding earlier estimates by approximately \$158,000, the tax rate was lowered to \$17.10.

Table IX  
City Tax Rate Comparison  
Comparison FY 2014 and FY 2015

	FY14	FY15		%
	<u>Adopted</u>	<u>Estimated(1)</u>	<u>Committed (2)</u>	
Municipal	5.14	5.28	5.24	1.95%
School	10.91	11.26	11.18	2.47%
High School Reserve	-	-	-	0.00%
County	0.65	0.69	0.68	4.62%
<b>Total</b>	<b>16.70</b>	<b>17.23</b>	<b>17.10</b>	<b>2.40%</b>

1. Estimated at time of initial passage based on preliminary valuation of \$3,410,000,000
2. Based on valuation at time of commitment of \$3,425,000,000 and additional BETE revenues.

Sewer User Fund

The Sewer User Fund Budget Appropriation for FY15 is \$5,512,553 an increase of \$53,576 or 0.98%.

Table X  
Sewer User Fund Expenditures  
Comparison FY 2014 and FY 2015

	FY 2014	FY 2015	Dollar	
	<u>Adopted</u>	<u>Adopted</u>	<u>Change</u>	<u>%</u>
Administration	155,033	157,856	2,823	1.82%
Compliance Admin.	93,598	95,724	2,126	2.27%
Debt	28,458	28,458	0.00	0.00%
Engineering	187,912	205,778	17,866	9.51%
Equipment Reserve	1,536,160	1,512,352	-23,808	-1.55%
Pump Stations	520,500	530,019	9,519	1.83%
Retirement & Insur.	729,106	757,110	28,004	3.84%
Sewer Maintenance	742,068	753,991	11,923	1.61%
Sewer Use Billing	194,885	194,885	0.00	0.00%
Sludge Disposal	361,070	366,775	5,705	1.58%
Treatment Plant	<u>910,187</u>	<u>909,605</u>	<u>-582</u>	<u>-0.06%</u>
<b>Total</b>	<b>5,458,977</b>	<b>5,512,553</b>	<b>53,576</b>	<b>0.98%</b>

Table XI  
Sewer User Fund Revenues  
Comparison FY 2014 and FY 2015

	FY 2014 <u>Adopted</u>	FY 2015 <u>Adopted</u>	<u>Dollar Change</u>	<u>%</u>
Interest & Penalties	1,000	1,000	0.00	0.00%
Industrial Compliance Fees	57,166	61,089	3,923	6.86%
Residential/Commercial User Fees	4,048,711	4,077,266	28,555	0.71%
Industrial User Fees	1,225,100	1,238,198	13,098	1.07%
Cape Elizabeth Contribution	125,000	135,000	10,000	8.00%
Use of Surplus	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00%</u>
Total	5,458,977	5,512,553	53,576	0.98%

The residential sewer user rate will increase from \$4.57 to \$4.66 per hundred cubic feet of water (PHCF) a 1.97% increase over FY14.

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 \$6,847,955 an increase of \$354,764 or 5.46%.

Table XII  
Municipal Enterprise Fund Budget  
Comparison FY 2014 and FY 2015

	FY2014 <u>Adopted</u>	FY2015 <u>Adopted</u>	<u>Dollar Change</u>	<u>%</u>
TIF District	\$3,224,711	\$3,549,394	\$324,683	10.07%
Debt Service Fund	\$282,900	\$494,428	\$211,528	74.77%
Summer Rec. Camp	\$227,402	\$262,487	\$35,085	15.43%
Golf Course	\$230,979	\$222,630	(\$8,349)	-3.61%
Community Television	\$190,485	\$206,230	\$15,745	8.27%
Westbrook Assessing	\$184,208	\$190,099	\$5,891	3.20%
Youth Rec. Programs	\$224,401	\$167,287	(\$57,114)	-25.45%
Street Openings	\$95,575	\$97,558	\$1,983	2.07%
Afterschool Program	\$0	\$85,935	\$85,935	0.00%
Sewer Impact Fees	\$40,346	\$42,204	\$1,858	4.61%
Senior Rec. Programs	\$40,900	\$36,277	(\$4,623)	-11.30%
Adult Rec. Programs	\$35,925	\$35,538	(\$387)	-1.08%
Summer Sports Camp	\$34,256	\$26,683	(\$7,573)	-22.11%
Portland St. Pier	\$27,340	\$21,800	(\$5,540)	-20.26%
Art in the Park	\$22,675	\$20,650	(\$2,025)	-8.93%
Adult Leagues	\$19,847	\$14,239	(\$5,608)	-28.26%

Boat Ramp	\$10,737	\$10,737	\$0	0.00%
Vacation Camp	\$10,496	\$7,029	(\$3,467)	-33.03%
Pre-School	\$103,648	\$0	(\$103,648)	-100.00%
School Lunch Fund	<u>\$1,486,360</u>	<u>\$1,356,750</u>	<u>(\$129,610)</u>	<u>-8.72%</u>
Total	\$6,493,191	\$6,847,955	\$354,764	5.46%

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 FY2015 Municipal Grant Fund Budget is \$2,399,237, an increase of \$17,980 or 0.76%.

Table XIII  
Grant Fund Budget  
Comparison FY 2014 and FY 2015

	<u>FY2014</u> <u>Adopted</u>	<u>FY2015</u> <u>Adopted</u>	<u>Dollar</u> <u>Change</u>	<u>%</u>
Local Road Assistance- MDOT	\$356,000	\$290,000	(\$66,000)	-18.54%
Community Dev. Block Grant	\$425,626	\$417,583	(\$8,043)	-1.89%
Supplemental Homeland Security	\$107,000	\$164,090	\$57,090	53.36%
Transit 5307 Planning	-	\$39,035	\$39,035	
School Part II Grants Budget	<u>\$1,492,631</u>	<u>\$1,488,529</u>	<u>(\$4,102)</u>	<u>-0.27%</u>
Total	\$2,381,257	\$2,399,237	\$17,980	0.76%

Conclusion

Sincere appreciation is expressed for the collaboration received from the City Council throughout the budget process. The Council's willingness to listen, ask tough questions and the move the community forward is why South Portland is what it is. Thank you to the department heads who have done an excellent job of preparing their individual budgets, keeping a keen eye on growth of expenditures, while at the same time being creative in looking for additional revenues. The budget process brings together a strong team of Councilors and city staff and the results of the work are experienced every day by the residents, business community and our visitors. *Thank you.*

Sincerely,



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