

Meeting of August 15, 2016

South Portland City Council
Position Paper of the Finance Director

Subject:

**RESOLVE #2-16/17 – Approving an Appropriation Transfer Resolve for FY 2016.
Passage requires majority vote.**

Position:

Overall, the FY 2016 municipal budget will end the year with an expenditure surplus. Each of the Department managers operates his/her budget taking into account priorities and emergencies that will come up throughout the year. This past year, the City experienced some pressures that resulted in expenditures that exceeded departmental budgets.

As has been discussed with the City Council several times over the past year, the Social Services General Assistance budget continued to experience a much higher need for services than had been originally anticipated. State law expressly allows for the general assistance budget to be over expended, but we feel it warrants formal recognition and City Council action to balance the fiscal year end budget. Under the new State of Maine general assistance guidelines, local communities receive 70% reimbursement for eligible expenditures. Based on actual expenditures and reports submitted to the State, the City anticipates revenue from the State to be approximately \$284,000, as compared to the original estimated revenue of \$165,000, for additional revenue of \$119,000. This resolve recognizes for budget purposes the additional \$119,000 of revenue and appropriates that same amount and then funds the remaining \$12,000 budget expenditure shortfall through a transfer from the FY 2016 contingency budget account.

The second area of the budget that experienced an over expenditure was the Civil Services budget. As of result of the need for additional testing for the replacement of retiring firefighter and police officers and the need to develop a test for the hiring of a new Fire Chief, the Civil Services budget ended the year with a slight shortfall of about \$1,100, which we are proposing to be covered by a transfer from Contingency.

The Bus Service budget also experienced an overage, primarily as a result of overtime needs and vehicle maintenance issues. We are recommending a transfer of \$14,000 from Contingency for this department.

Requested Action:

Council passage of Resolve #2-16/17.



Finance Director



CITY OF SOUTH PORTLAND

THOMAS E. BLAKE
Mayor

DON GERRISH
Interim City Manager

EMILY F. CARRINGTON
City Clerk

SALLY J. DAGGETT
Jensen Baird Gardner & Henry

IN CITY COUNCIL

RESOLVE #2-16/17

District One
CLAUDE V. Z. MORGAN

District Two
PATRICIA A. SMITH

District Three
EBEN C. ROSE

District Four
LINDA C. COHEN

District Five
BRAD FOX

At Large
MAXINE R. BEECHER

At Large
THOMAS E. BLAKE

**RESOLVE, that THE COUNCIL OF THE CITY OF SOUTH PORTLAND
HEREBY RESOLVES,**

That as a result of the significant increase in Social Services required by the General Assistance office for the fiscal year ended June 30, 2016 and the additional estimated revenue to be received from the State of Maine relating to general assistance, that an additional \$119,000 be and hereby is recognized as estimated revenue for the fiscal year ending June 30, 2016 and that such amount be appropriated to the FY15/16 General Assistance Social Services Rent budget; and

BE IT FURTHER RESOLVED, that \$8,000 be transferred from the FY 2015/2016 Contingency Reserve appropriation to the FY 2015/2016 General Assistance Food appropriation and that \$4,000 be transferred from the FY 2015/2016 Contingency Reserve appropriation to the FY 2015/2016 General Assistance Household Supplies appropriation; and

BE IT FURTHER RESOLVED, that \$1,100 be transferred from the FY 2015/2016 Contingency Reserve appropriation to the FY 2015/2016 Civil Services Contracted Services appropriation; and

BE IT FURTHER RESOLVED, that \$14,000 be transferred from the FY 2015/2016 Contingency Reserve appropriation to the FY 2015/2016 Bus Service Vehicle Maintenance appropriation.

Fiscal Note: \$146,100

Dated: August 15, 2016