

# FY18 Budget Update

JULY 1, 2017 TO JUNE 30, 2018

May 18, 2018

# March 21, 2017 Budget

## Dept Head Request:

*Change from FY17*

• Expenses:	\$35,162,857	\$5,829,907
• Non-property tax revenues	<u>(\$ 9,472,038)</u>	<u>(\$767,292)-</u>
• Total Municipal	\$25,690,819	\$6,597,199
\$2.95 impact on tax rate		

## City Manager Submitted Budget:

• Expenses:	\$32,065,281	\$2,732,331
• Non-property tax revenues	<u>(\$10,355,707)</u>	<u>\$116,377-</u>
• Total Municipal	\$25,690,819	\$2,615,954
\$0.99 impact on tax rate		

# Budget Committee (City Council) Changes

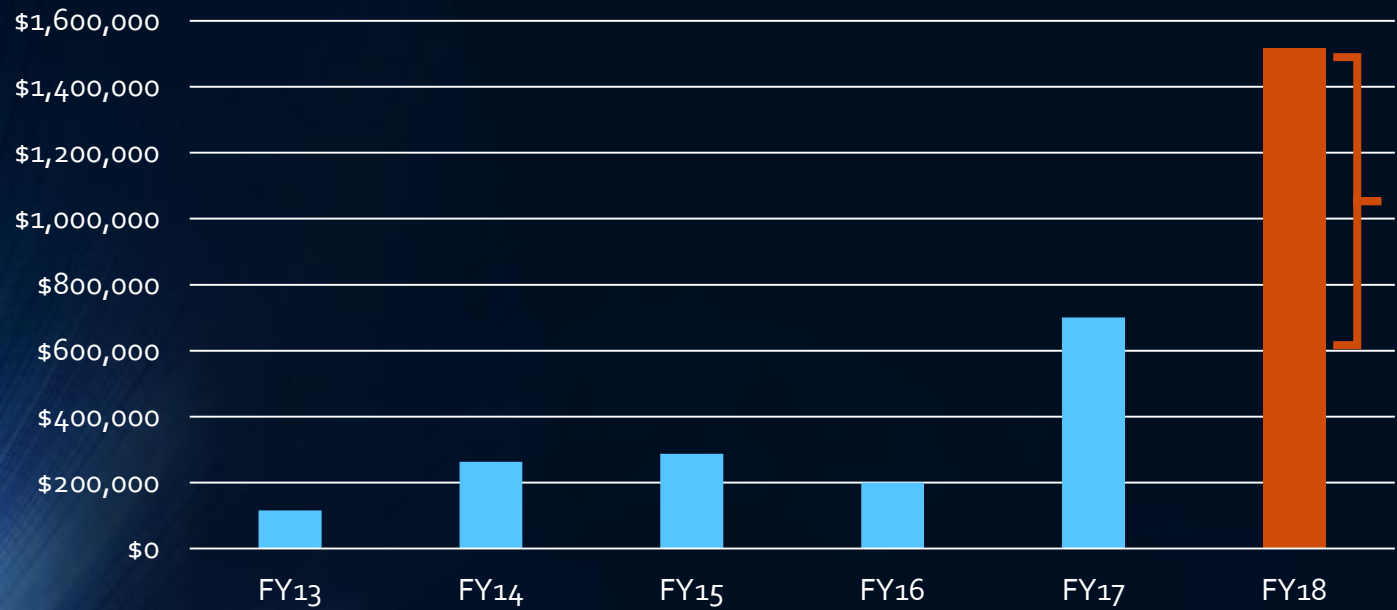
- Decrease in Spending (\$527,489)
- Increase in Revenues \$546,108-
- Change (reduction) in taxes needed (\$1,073,597)

# Changes of Significant In Budget

<i>Item</i>	<i>Amount</i>	<i>Tax Rate</i>
• New voter approved debt:	\$834,729	\$0.37

\$814,994 of new investment; \$0.36 impact on tax rate

### CIP Budgeted

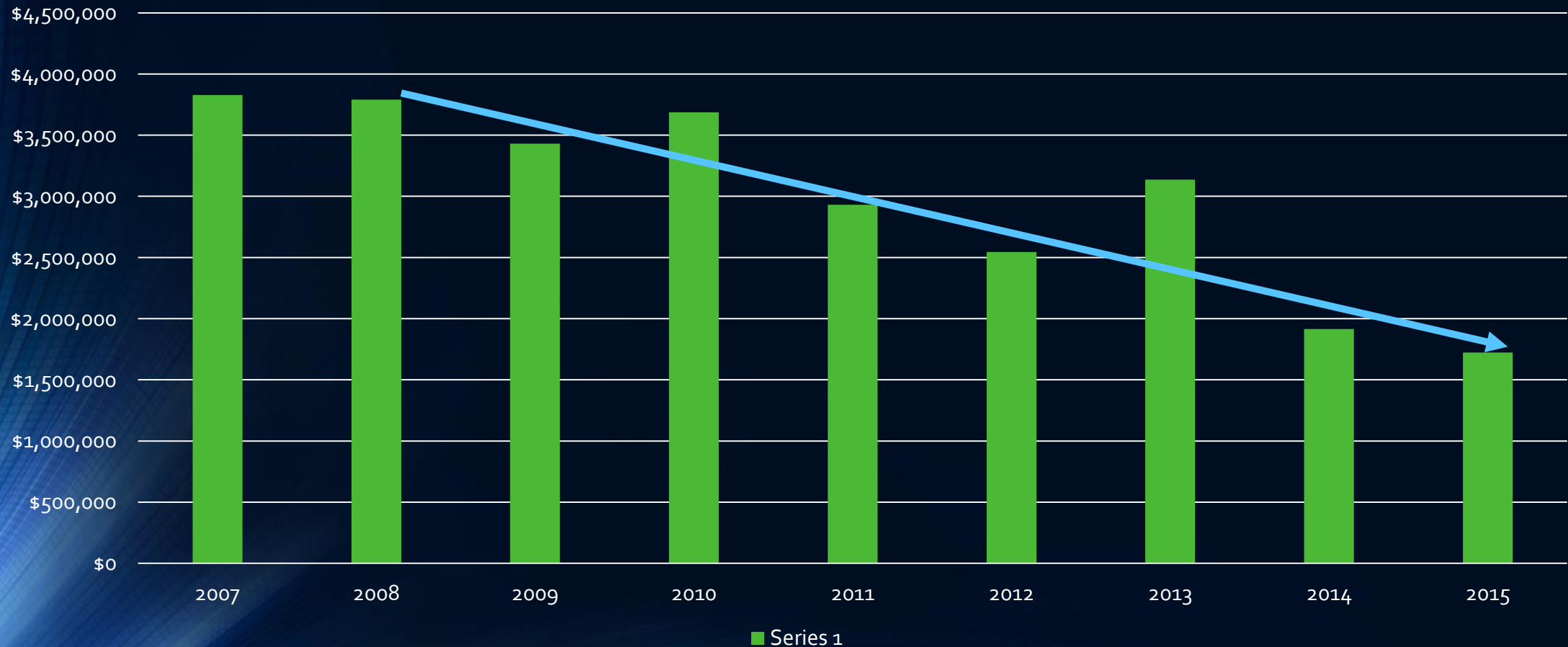


# Changes of Significant In Budget

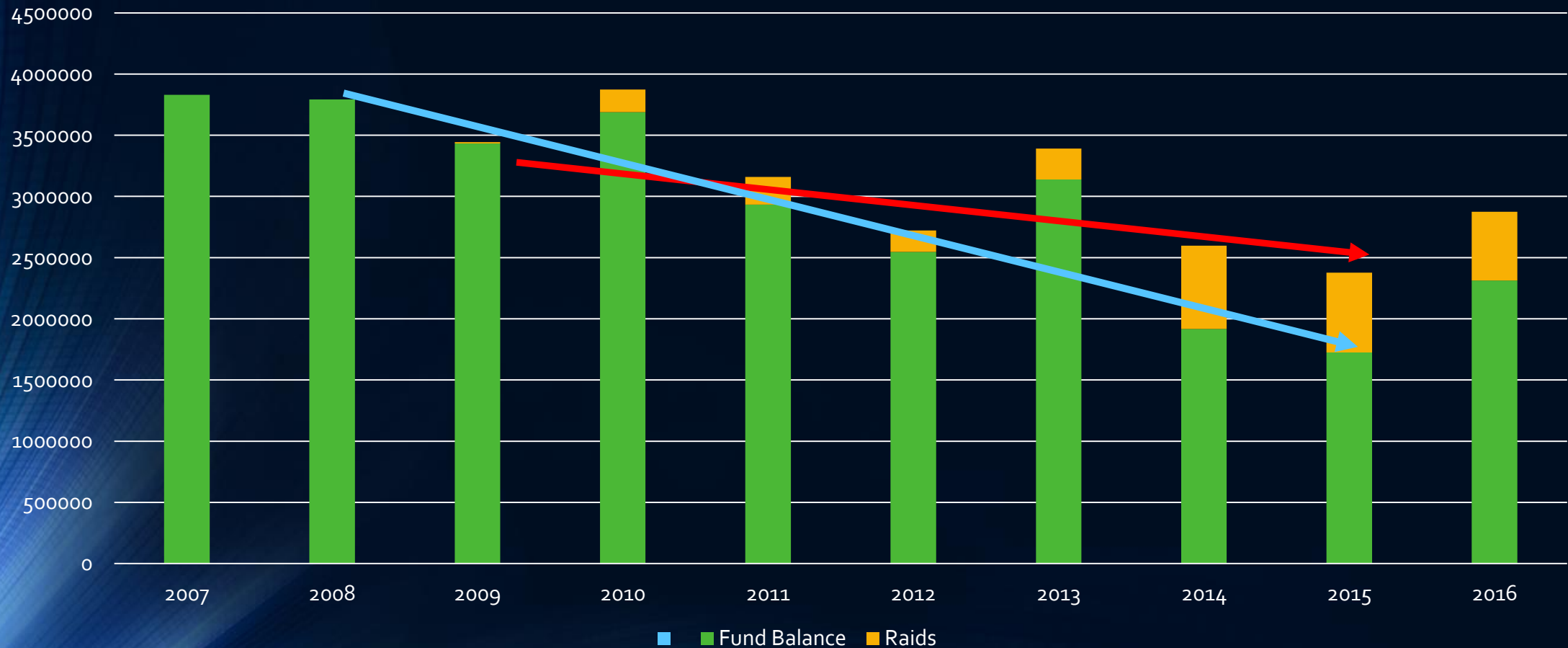
<i>Item</i>	<i>Amount</i>	<i>Tax Rate</i>
• New voter approved debt:	\$834,729	\$0.37
• New capital investment:	\$814,994	\$0.36
• Elimination of 1.5 positions	(\$95,293)	(\$0.04)



# Changes in Fund Balance (Last 10 Years)

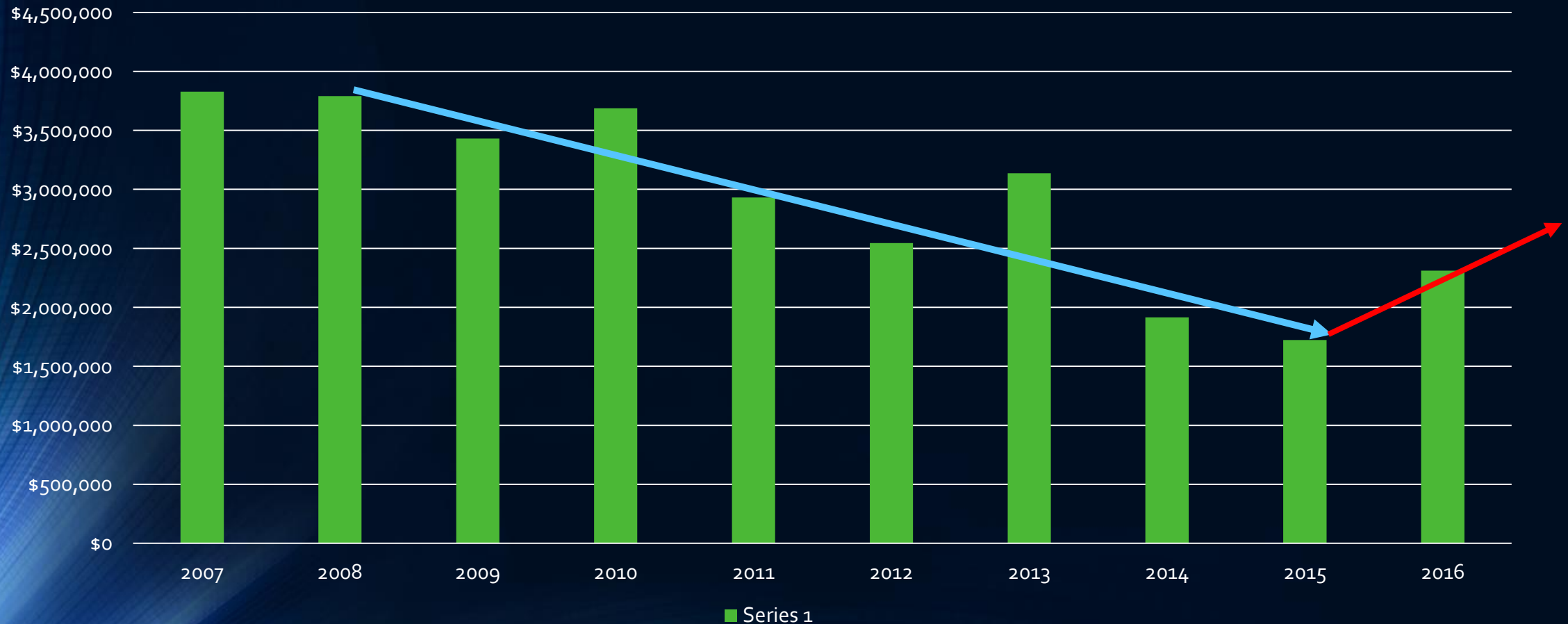


# Impacts of State Revenue Sharing Raids





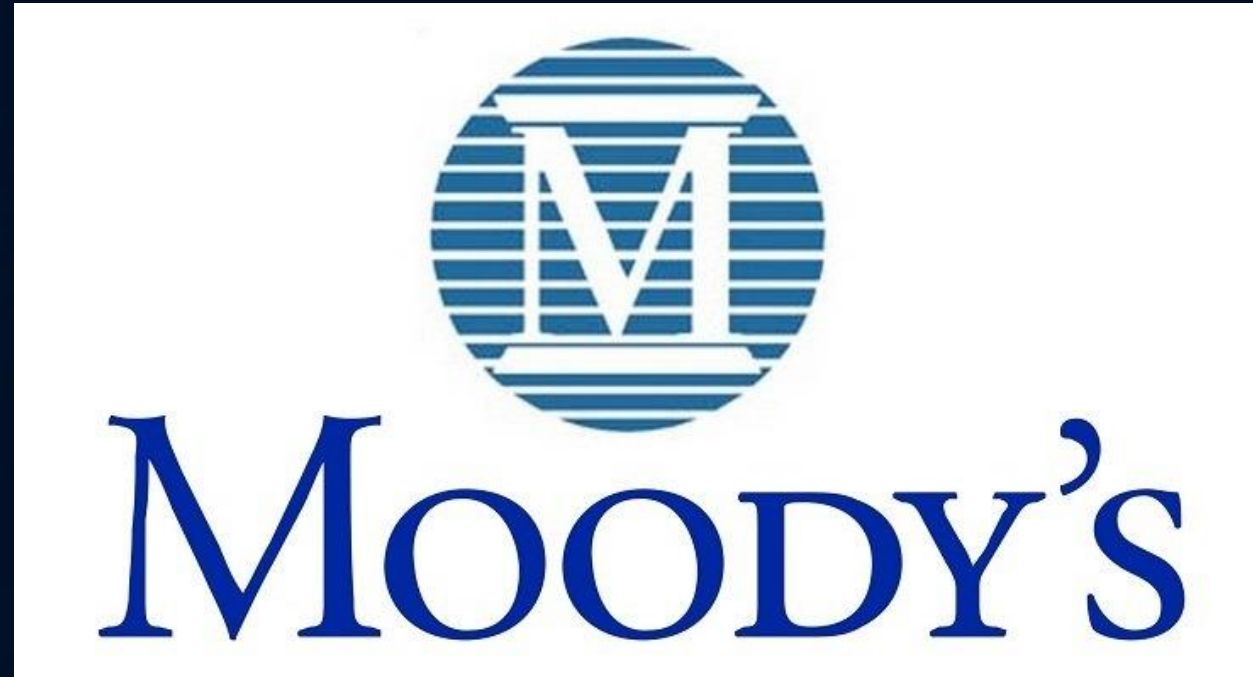
# Changes in Fund Balance (Last 10 Years)



- **Standard & Poor's**
- **S&P Global Ratings assigned its 'AA-' long-term rating to the city of Biddeford, Maine's series 2017 general obligation (GO) bonds, and affirmed its 'AA-' long-term ratings on the city's existing GO debt. The outlook is stable.**



- *Moody's Assigns Negative Outlook to Biddeford, ME's GO Debt; Affirms Aa3*



Financial  
Stability

# Continue to Restore Fund Balance

## The Plan: Incremental and Deliberative

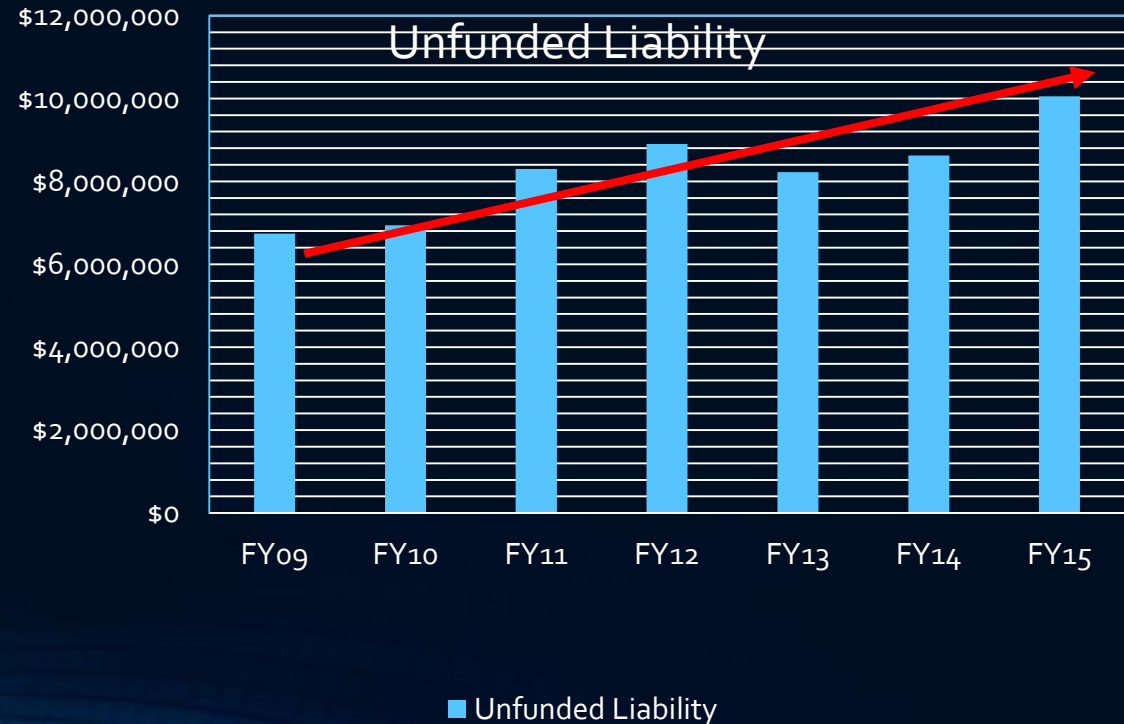
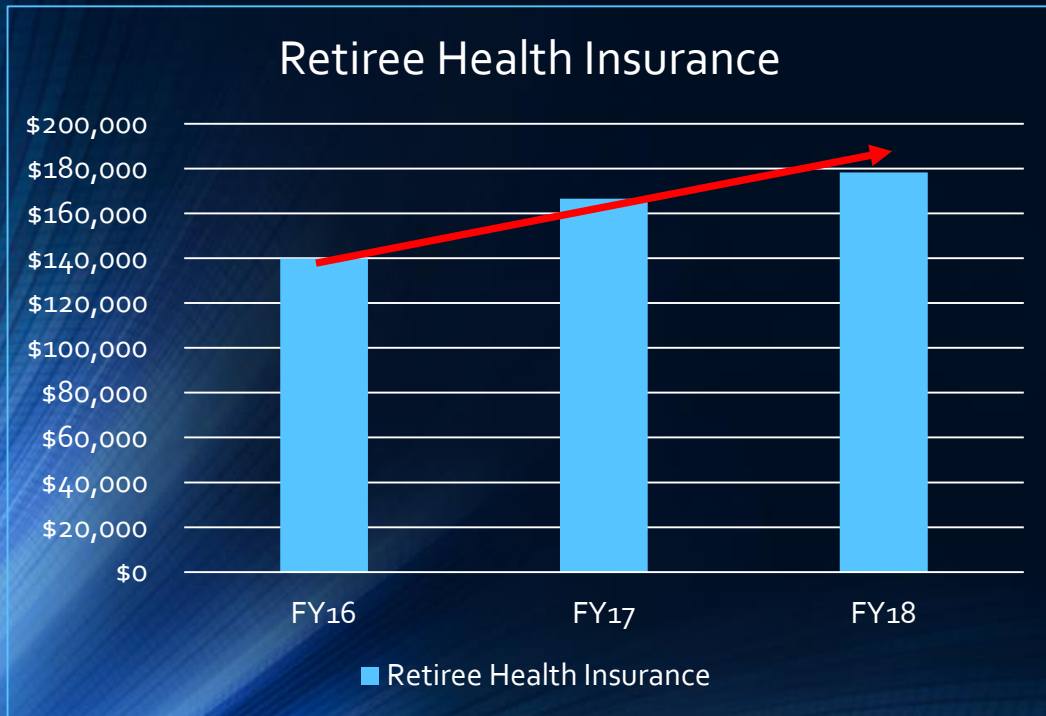
- Fund Balance Funding
  - \$50,000 in budget
  - \$200,000 in Part II budget
- Personnel Unbudgeted Costs
  - Separation Pay
    - \$110,000 in budget
    - \$125,000 in Part II budget
  - Vacation Buy Back
    - \$100,000 in budget
    - \$125,000 in Part II budget



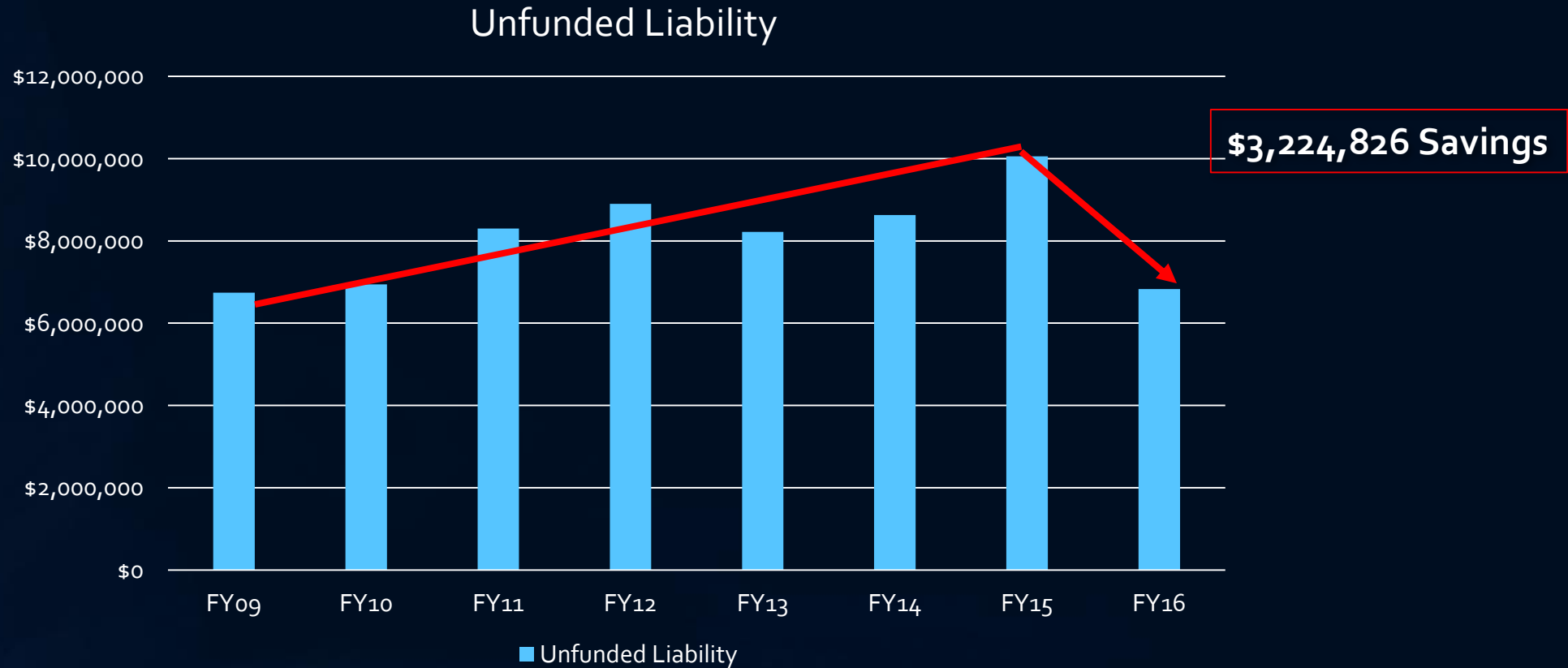
# Unfunded Long Term Liabilities

- Lifetime Health Insurance
  - City employees eligible for paid health insurance benefits at retirement for life
  - \$178,313 cost in FY18

(No other community in comparison offered this benefit)



- Negotiated elimination of benefit (Police & Public Works)
- \$15 per week per employee contribution to retirement health savings account



- Does not reflect fire department change



# Changes of Significant In Budget

<i>Item</i>	<i>Amount</i>	<i>Tax Rate</i>
• New voter approved debt:	\$834,729	\$0.37
• New capital investment:	\$814,994	\$0.36
• Elimination of 1.5 positions	(\$95,293)	(\$0.04)
• Long-term stability funding	\$611,129	\$0.27
• Downtown Investment	<u>\$ 88,616</u>	<u>\$0.02*</u>
Totals	\$2,254,175	\$0.98

# Growing Tax Base

- Current increase in taxable property \$26,572,100
- Increase in taxable TIF property \$13,626,200
- Other growth \$ 7,000,000
  - Subject to finalizing personal property review
- Total growth \$47,188,300

# Impact on Taxes

- Increase in tax rate \$0.46 (2.32%)
- Impact on median home with homestead (\$12.29) decrease

*Homes with homestead of \$236,000 or less*

*no increase and progressive decrease*

- Impact on commercial property of \$300,000 \$138.00 increase