

City of Portland, Maine
Finance Committee Meeting
Thursday, January 12, 2017
5:00 p.m., Room 209

1. Finance Committee Meeting Agenda

Documents:

[FC AGENDA 01-12-17.PDF](#)

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5:00 p.m., Room 209**

AGENDA

- 1. Introductions**

- 2. FY18 – FY22 Capital Improvement Plan Discussion**
 - a. Review of FY18 – FY22 Borrowing Capacity**
 - b. Impact of Above Capacity Borrowing**
 - c. CIP Calendar – Discussion of Key Dates**
 - i. Upcoming Finance Committee Meeting Dates – 1/26, 2/9**
 - ii. Upcoming City Council Dates – 2/22, 3/6**

- 3. FY18 Budget Calendar Review (Attachment A)**

- 4. 2017 Finance Committee Goals Discussion**
 - a. Review of 2016 Goals (Attachment B)**
 - b. Discussion of 2017 Goals**

- 5. Other Business**

<i>FY18 City of Portland Budget Calendar</i>
Dec. 14 (Wednesday): Submission of Department Revenue Estimates and Fee Schedule Changes to Budget Office
Jan/Feb: Submission of Completed Department budgets to the Budget Office (Expenditures and Revenue Updates): <p style="margin-left: 40px;">(A) Jan 25 (Wednesday): <u>Smaller Departments</u> (Dept #s: 11, 12, 13, 14, 15, 16, 17, 19, 29, 61 & 62)</p> <p style="margin-left: 40px;">(B) Feb 1 (Wednesday): <u>Larger Departments / All Other</u></p>
Feb: Staff completes budget compilation and City Manager’s Review of Revenues
March: City Manager’s Departmental Budget Reviews
April 5 (Wednesday): Submission of City Manager’s Budget to City Council, distribution of budget summary to Public
April: Finance Committee Budget Reviews – Typically the Committee meets every Thursday in April with additional selected dates as necessary (Note: school vacation week is April 17-21)
May 1 (Monday): 1 st Reading of Appropriation Resolve and Public Hearing
May 8 (Monday): City Council Workshop
May 15 (Monday): 2 nd Reading of Appropriation Resolve and Passage of City Budget / Setting of Tax Rate; Final City Council Action

Attachment B

2016 City Council Common Goals - (Finance Committee)

The City Council met in January 2016 to develop a clear understanding of key priorities and goals for the Council and its Committees. The full Council was present. Moving committee by committee, the Council agreed on the highest priority goals for each committee for 2016. The below top priorities all received a majority of support or better from the council:

Finance:

- Have a ballot item in 2016 to bond work on the elementary schools with information from the schools and consideration from the Finance Committee
- No tax increase greater than 2.5%

In addition, it was stated and agreed, as a given, that the Finance Committee exercises due diligence on how bonds and all city programs can be paid for without decimating City and School services

The notes that follow provide the full notes, all the suggested 2016 goals and how they ranked (number of votes in parenthesis)

- (6) Have a ballot item in 2016 to bond work on the elementary schools with information from the schools and consideration from the Finance Committee
- (5) No tax increase greater than 2.5%
- (4) Develop a comprehensive 10 year plan and budget for the school and city big ticket capital items and have a bond question on the ballot in 2016, balancing the wants and needs and not saddling the future with debt
- (3) Figure out how to make city services run more effectively and efficiently
- (2) Create a targeted tax relief program
- (2) Develop a presentation to explain the budget and finances effectively to the public
- (2) New Americans office funding (internal or external sources of funds)
- (1) Figure out how to pay for capital cost of the elementary schools

Part A - Future CIP Borrowing Capacity Calculator	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026
Current City Debt Service	11,245,817	10,271,996	9,761,921	8,510,925	7,883,416	7,351,405	6,843,345	6,239,534	5,688,333	5,164,306
Current School Debt Service	4,918,322	4,194,885	3,631,769	3,340,620	3,185,950	3,097,713	2,921,682	2,804,985	2,710,382	2,399,524
Total Current CIP Debt Service	16,164,140	14,466,881	13,393,690	11,851,545	11,069,366	10,449,119	9,765,027	9,044,519	8,398,715	7,563,829
Plus: Estimated FY17 CIP Debt Service	-	788,399	788,399	788,399	788,399	788,399	757,999	757,999	757,999	757,999
Less: State Subsidized Debt Service	(1,497,151)	(1,464,594)	(1,429,700)	(1,392,056)	(1,350,961)	(1,310,210)	(1,228,708)	(1,188,231)	(1,147,505)	(806,868)
Net CIP Debt Service	14,666,988	13,790,686	12,752,390	11,247,888	10,506,803	9,927,308	9,294,318	8,614,287	8,009,209	7,514,960
Debt Service Becoming Available		876,302	1,038,296	1,504,502	741,084	579,496	632,990	680,031	605,078	494,249
CIP Borrowing Capacity (in Millions)*		12,836,784	15,209,797	22,039,158	10,856,000	8,488,921	9,644,424	10,361,160	9,219,149	7,530,527
Total Current CIP Requests Received:		59,469,406	67,758,476	36,543,773	34,597,960	40,391,701				
*Estimates only - based on projected amortization schedules as provided by Bond Adviser for FY17 CIP borrowing (scheduled for March 15, 2017)										

Part B - Pension Obligation Bond - Impact on Tax Rate (non-discretionary fixed future cost)	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026
Total POB Debt Service	12,851,663	13,674,852	14,547,881	15,472,397	16,448,711	17,485,795	18,585,400	19,752,493	20,989,817	22,297,889
Annual Increase in POB Debt Service		823,188	873,030	924,516	976,313	1,037,084	1,099,605	1,167,093	1,237,324	1,308,072
Tax Levy - with new POB debt service only	164,194,065	165,017,253	165,890,283	166,814,799	167,791,112	168,828,197	169,927,802	171,094,895	172,332,219	173,640,291
Tax Rate (with increase from POB only)	\$21.11	\$ 21.21	\$ 21.32	\$ 21.44	\$ 21.57	\$ 21.70	\$ 21.84	\$ 21.99	\$ 22.15	\$ 22.32
Increase just related to POB debt service	\$0.10	\$ 0.10	\$ 0.11	\$ 0.12	\$ 0.13	\$ 0.13	\$ 0.14	\$ 0.15	\$ 0.16	\$ 0.17
Increase from FY17 - just related to POB	\$	\$ 0.10	\$ 0.21	\$ 0.33	\$ 0.46	\$ 0.59	\$ 0.73	\$ 0.88	\$ 1.04	\$ 1.21

Part C - Impact of Additional "Reduce Backlog" Borrowings on the Tax Rate	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026
Tax Levy - with new POB debt service only	164,194,065	165,017,253	165,890,283	166,814,799	167,791,112	168,828,197	169,927,802	171,094,895	172,332,219	173,640,291
Tax Rate (with increase from POB only)	\$21.11	\$ 21.21	\$21.32	\$ 21.44	\$21.57	\$ 21.70	\$21.84	\$ 21.99	\$22.15	\$ 22.32
Additional 5-Year CIP Projects	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
New Debt Service Generated	\$	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Additional 10-Year CIP Projects	\$ -	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
New Debt Service Generated	\$	\$ -	\$ 195,000	\$ 385,500	\$ 571,500	\$ 558,000	\$ 544,500	\$ 531,000	\$ 517,500	\$ 504,000
Additional 20-Year CIP Projects	\$ -	\$ 3,500,000	\$ 3,500,000	\$ 3,500,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
New Debt Service Generated	\$	\$ -	\$ 315,000	\$ 623,000	\$ 924,000	\$ 903,000	\$ 882,000	\$ 861,000	\$ 840,000	\$ 819,000
Additional Debt Service Generated	\$ -	\$ -	\$ 510,000	\$ 1,008,500	\$ 1,495,500	\$ 1,461,000	\$ 1,426,500	\$ 1,392,000	\$ 1,357,500	\$ 1,323,000
Increase related to additional CIP projects	\$	\$ -	\$ 0.07	\$ 0.13	\$ 0.19	\$ 0.19	\$ 0.18	\$ 0.18	\$ 0.17	\$ 0.17
Total Recommended CIP Borrowing (including "Reduce Backlog")	\$	\$ 17,836,784	\$ 20,209,797	\$ 27,039,158	\$ 10,856,000	\$ 8,488,921	\$ 9,644,424	\$ 10,361,160	\$ 9,219,149	\$ 7,530,527
Adjusted Tax Levy (with POB + additional CIP)	164,194,065	165,017,253	166,400,283	167,823,299	169,286,612	170,289,197	171,354,302	172,486,895	173,689,719	174,963,291
Tax Rate (including POB & debt service from additional CIP)		21.21	21.39	21.57	21.76	21.89	22.02	22.17	22.33	22.49
Impact from Additional CIP Borrowing	\$	\$ -	\$ 0.07	\$ 0.13	\$ 0.19	\$ 0.19	\$ 0.18	\$ 0.18	\$ 0.17	\$ 0.17