

## **Agenda**

### **FINANCE COMMITTEE**

**Thursday – June 15, 2017  
Town Manager’s Conference Room  
6:00 – 8:00 P.M.**

**Item 1.** Call to Order.

**Item 2.** Those Present.

**Item 3.** Approval of Minutes – May 4, 2017

**Item 4.** Discussion:

- Financial Statement of March 30, 2017
- Budget Debrief
- Update on Metrics & Adoption
- 2017 Budget Priorities
  - (a) Debt Schedule and Planning
  - (b) Financial Modeling (3 Years)
  - (c) 2017/18 Advance Budget Work
- Others

**Item 5.** Future Meeting Dates and Times & Items:

Thursday, July 13, 2017 – Finance Committee Meeting  
(Council Chambers A @ 6:00 p.m.)

**Item 6.** Public Comment

**Item 7.** Adjourn.

## **Executive Summary for the period ending March 31, 2017**

After nine months, we are where we should be. We are presently 76.5% spent and 89.5% collected. Overall, for the nine months of the 2017 fiscal year, Scarborough is on track and doing well. Since the assets and liabilities are mostly determined by the timing of the expenditures and revenues, I will focus on these two areas. On an annual basis, we update the total fund balance. As a general indicator of fund balance, actual revenues and expenditures can measure the anticipated changes that could affect total fund balance. With the 2016 financial audit completed, we are working through our current 2017 fiscal year, and heading into the 2018 budget season. Additionally, we are in the process of preparing our preliminary official statement as we determine the amounts and length of projects we will bond.

**Positive** indicators are excise revenues continue to exceed projections at 82%. State revenues are tracking at 79% and this is about the same as last year. Other revenues and expenditures are on track and consistent with the prior year.

**Negative** indicators to consider are plumbing, electrical and building permit revenues are slightly below expectations at 66% compared to 94% last year. As has been the case with businesses and governments across the state and country, employees are retiring in record numbers which reflects the increase in expenditures under the executive budget where these costs are allocated. Litigation, also under the executive budget is higher than in past years as a result of the continued beach assessment suits against the town.

In summary, our department administrators are consciously monitoring their budgets with consideration for all those with a vested interest in our community. Looking to the future, we will begin the 2018 budget process and also preparation for the issuance of the 2017 bonds.

### **May 2017 Update:**

The town has maintained its bond ratings from both bond rating agencies: Moody's at Aa3 and S&P at AA+. As a result of the premium received on the bids, the town is able to reduce the amount it will borrow from \$2.945m to \$2.755m.

A positive trend is showing in the total outstanding debt. Total outstanding debt decreased by \$4.290m from \$95.920m to \$91,630m. This is a 4.47% decrease from f/y16. Debt paid/retired in f/y17 was \$7.045m and \$2.755m will be issued.

The 2018 budget has been adopted by the Town Council and anticipated tax rate increase could be as low as 2.83% to a high of 4.16%. It is anticipated to be around 3.49%. The final piece of the 2018 budget is to have the citizens approve the 2018 school operating budget.

With regard to the 2017 budget, through May 2017, total expenditures are at 90% spent and revenues are at 93% collected. After 11 months, we might typically be at 91.67%. Thirty day notices have gone out for those who have not yet paid their property taxes.

**TOWN OF SCARBOROUGH  
TOWN GENERAL FUND BALANCE SHEET**

	<u>March 31, 2017</u>	<u>March 31, 2016</u>	<u>Variance</u>
<b><u>ASSETS</u></b>			
Cash	26,591,318	24,244,013	2,347,305
Taxes Receivable	2,657,330	2,735,604	(78,275)
Accts Receivable	686,030	906,983	(220,954)
Due From Other Funds	2,573,608	2,443,510	130,098
Inventories	31,301	42,532	(11,231)
<b>Total Assets and Outflows</b>	<b><u>32,539,586</u></b>	<b><u>30,372,642</u></b>	<b><u>2,166,944</u></b>
<b><u>LIABILITIES</u></b>			
Accounts Payables	1,621,963	637,274	984,689
Accrued Payroll	4,345,036	4,386,602	(41,566)
Prepaid Items	0	2,909	(2,909)
Deferred Tax Revenues	863,100	806,479	56,621
Taxes Collected In Advance	35,890	20,280	15,610
<b>Total Liabilities and Inflows</b>	<b><u>6,865,988</u></b>	<b><u>5,853,544</u></b>	<b><u>1,012,445</u></b>
<b><u>FUND BALANCE</u></b>			
Fund Balance Unrestrictd	9,327,005	6,681,931	2,645,074
Fund Balance Reserved	4,375,231	4,473,747	(98,516)
Fuel Inventory Reserve	31,301	42,532	(11,231)
Actual Revenues	74,109,660	71,946,177	2,163,483
Actual Expenditures	62,169,600	58,625,290	3,544,310
<b>Fund Balance</b>	<b><u>25,673,598</u></b>	<b><u>24,519,098</u></b>	<b><u>1,154,500</u></b>
<b>Total Liabilities and Fund Balance</b>	<b><u>32,539,586</u></b>	<b><u>30,372,642</u></b>	<b><u>2,166,944</u></b>

**Town of Scarborough  
Comparative Year To Date Expenditures**

	<u>3/31/2017</u>			<u>3/31/2016</u>		
	<u>Revised</u> <u>Appropriation</u>	<u>YTD</u> <u>Expended</u>	<u>Percent</u> <u>Used</u>	<u>Revised</u> <u>Appropriation</u>	<u>YTD</u> <u>Expended</u>	<u>Percent</u> <u>Used</u>
<b><u>1100 General Fund</u></b>						
55 Legislative	11,573	8,679	75.0%	11,573	5,786	50.0%
56 Executive	2,012,424	1,870,883	93.1%	1,763,723	1,499,858	85.3%
57 Finance	958,869	670,263	70.3%	996,289	691,759	69.9%
58 Management Information Systems	1,195,024	874,449	76.1%	1,167,756	809,399	73.3%
59 Planning	953,915	663,678	69.6%	918,035	688,406	76.2%
62 Community Services	2,761,072	2,064,841	75.3%	2,671,476	1,965,610	74.3%
63 Library	1,099,898	1,099,898	100.0%	1,022,538	1,022,538	100.0%
66 Public Health & Welfare	29,656	21,489	72.5%	29,156	18,618	63.9%
68 SEDCo	224,694	154,208	68.6%	215,180	146,057	67.9%
71 Fire Services	4,908,197	3,398,954	69.6%	4,285,037	2,920,156	68.7%
72 Police Services	6,274,840	4,429,759	71.0%	5,725,306	4,084,272	71.7%
81 Public Works	6,774,857	4,554,142	81.2%	6,795,197	4,651,556	81.0%
85 Debt	4,840,496	4,280,734	88.4%	4,906,499	4,318,289	88.0%
91 County Tax	2,568,852	2,568,852	100.0%	2,493,342	2,493,342	100.0%
94 Capital Equipment	1,214,582	1,047,448	91.3%	1,132,644	805,108	89.4%
97 Other	1,081,403	366,425	33.9%	1,448,286	478,928	33.1%
<b>Total General Fund Expenditures</b>	<b><u>36,910,352</u></b>	<b><u>28,074,703</u></b>	<b><u>79.0%</u></b>	<b><u>35,582,036</u></b>	<b><u>26,599,682</u></b>	<b><u>78.1%</u></b>
Fund 7150 Adult Education	182,805	133,264	73.0%	181,552	134,489	74.1%
Fund 7100 Total School General Fund	45,856,180	33,961,633	74.4%	43,543,756	31,891,119	73.7%
<b>Total School General Fund Expenditures</b>	<b><u>46,038,985</u></b>	<b><u>34,094,897</u></b>	<b><u>74.4%</u></b>	<b><u>43,725,308</u></b>	<b><u>32,025,607</u></b>	<b><u>73.7%</u></b>
<b>Grand Total</b>	<b><u>82,949,336</u></b>	<b><u>62,169,600</u></b>	<b><u>76.5%</u></b>	<b><u>79,307,344</u></b>	<b><u>58,625,290</u></b>	<b><u>75.6%</u></b>

**9 Months = 75.0%**

**NOTES:**

**56:** New Positions (Asst TM/Coastal Coordinator), Litigation increase of \$20,000, higher WC premiums \$49,000 and \$17,000 deductible costs, payout of sick and vacation pay for folks retiring.

**57:** Timing of Contractual payments for assessing contract

**58:** MIS Software cost increases

**62:** Senior Program Coordinator (new hire full year), additional Child Care part time staff, Tri-Gen & Elevator Maint,

**71:** Fire Dept staffing costs

**72:** Staffing costs

**94:** Timing of capital equipment purchases for prior year and current year

**Town of Scarborough  
Comparative Year To Date Revenues**

	<u>3/31/2017</u>			<u>3/31/2016</u>		
	<b>Revised</b>	<b>Actual YTD</b>	<b>%</b>	<b>Revised</b>	<b>Actual YTD</b>	<b>%</b>
	<b>Estimated</b>			<b>Revenue</b>		
<b><u>1100 General Fund</u></b>						
90 Taxes	25,408,946	24,315,243	95.7%	24,919,165	24,106,946	96.7%
91 Interest On Delinquent Taxes	88,000	45,285	51.5%	88,000	52,377	59.5%
92 Licenses And Permits	596,480	392,215	65.8%	544,780	473,672	86.9%
93 Intergovernmental Revenues	2,833,502	1,993,725	70.4%	2,091,964	1,654,916	79.1%
94 Charge For Services	5,555,292	3,635,466	65.4%	5,290,683	3,319,641	62.7%
95 Fines Forfeits And Assessments	65,550	61,174	93.3%	65,950	42,292	64.1%
96 Miscellaneous Revenues	566,556	358,674	63.3%	560,979	346,223	61.7%
98 Grants & Contributions	-	-	0.0%	-	-	0.0%
99 Other Financing Sources	1,619,958	450,713	27.8%	1,634,891	10,000	0.6%
<b>Total General Fund Revenues</b>	<b>36,734,284</b>	<b>31,252,494</b>	<b>85.1%</b>	<b>35,196,412</b>	<b>30,006,066</b>	<b>85.3%</b>
Fund 7150 Adult Education	182,805	166,374	91.0%	181,552	152,638	84.1%
Fund 7100 Total School General Fund	45,855,067	42,690,791	93.1%	43,543,756	41,787,474	96.0%
<b>Total School General Fund Revenues</b>	<b>46,037,872</b>	<b>42,857,166</b>	<b>93.1%</b>	<b>43,725,308</b>	<b>41,940,112</b>	<b>95.9%</b>
<b>Grand Total</b>	<b>82,772,156</b>	<b>74,109,660</b>	<b>89.5%</b>	<b>78,921,720</b>	<b>71,946,177</b>	<b>91.2%</b>

2017 Property Taxes Collected: **96.34%**  
**9 Months = 75.0%**

2016 Property Taxes Collected: **95.97%**

**NOTES:**

- 90:** Taxes include property and excise taxes. Property taxes are recorded as revenue when the bills are issued.
- 91:** Interest rate remains at 7% for unpaid property taxes - this is set by the State.
- 92:** Building, Electrical & Plumbing permits were \$81,830 lower through Mar 2017 compared to Mar 2016.
- 93:** Homestead and BETE revenues higher in 2017 than in 2016.
- 94:** Increase in rescue revenues, PD OOB charge for dispatching, child care revenues.
- 97:** Allocation of School impact fees \$325,097 & Beach reserves \$115,616.

**Town of Scarborough  
Year To Date Expenditures  
Through March 31, 2017**

	<u>Original Appropriation</u>	<u>Revised Budget</u>	<u>YTD Expended</u>	<u>Encumb</u>	<u>Available Budget</u>	<u>Percent Used</u>
<b><u>Other Town Fund Expenditures</u></b>						
Fund 1200 Total Special Revenue Fund	21,000	27,427	2,087,694	17,923	(2,078,190)	7677.1%
Fund 1300 Total Capital Projects Fund	444,400	477,677	293,826	808	183,043	61.7%
Fund 1310 Total Capital Projects Fund	1,669,232	2,233,593	1,873,159	1,178,878	(818,444)	136.6%
Fund 1500 Total Cemetery Permanent Fund	-	-	-	-	-	0.0%
<b>Total Town Other Fund Exp</b>	<b>2,134,632</b>	<b>2,738,697</b>	<b>4,254,679</b>	<b>1,197,609</b>	<b>(2,713,591)</b>	<b>199.1%</b>

**Other School Fund Expenditures**

Fund 72xx Total School Special Revenue Fund	983,659	993,659	811,903	1,632	180,124	81.9%
Fund 7300 Total School Capital Projects Fund	60,000	60,000	39,889	-	20,111	66.5%
Fund 7400 Total School Capital Projects Fund	1,320,830	1,320,830	981,760	6,319	332,751	74.8%
Fund 7600 Total School Nutrition Program	1,471,066	1,471,066	1,088,054	110,380	272,632	81.5%
Fund 7800 Total School Scholarship Funds	-	-	3,900	-	(3,900)	100.0%
<b>Total School Other Fund Exp</b>	<b>3,835,555</b>	<b>3,845,555</b>	<b>2,925,506</b>	<b>118,331</b>	<b>801,718</b>	<b>79.2%</b>

**Year To Date Revenues  
Through March 31, 2017**

	<u>Original Estimated Revenue</u>	<u>Revised Estimated Revenue</u>	<u>Actual YTD Revenue</u>	<u>Remaining Revenue</u>	<u>% Collected</u>
<b><u>Other Town Fund Revenues</u></b>					
Fund 1200 Total Special Revenue Fund	21,000	21,000	2,003,786	(1,982,786)	9541.8%
Fund 1300 Total Capital Projects Fund	444,400	444,400	172,145	272,255	38.7%
Fund 1310 Total Capital Projects Fund	1,669,232	1,669,232	3,211	1,666,021	0.2%
Fund 1500 Total Cemetery Permanent Fund	-	-	1,654	(1,654)	100.0%
<b>Total Town Other Fund Rev</b>	<b>2,134,632</b>	<b>2,134,632</b>	<b>2,180,796</b>	<b>(46,164)</b>	<b>102.2%</b>

**Other School Fund Revenues**

Fund 72xx Total School Special Revenue Fund	993,659	993,659	716,193	277,466	72.1%
Fund 7300 Total School Capital Projects Fund	60,000	60,000	79	59,921	0.1%
Fund 7400 Total School Capital Projects Fund	1,320,830	1,320,830	56,960	1,263,870	4.3%
Fund 7600 Total School Nutrition Program	1,471,066	1,471,066	799,105	671,961	54.3%
Fund 7800 Total School Scholarship Funds	-	-	1,749	(1,749)	100.0%
<b>Total School Other Fund Rev</b>	<b>3,845,555</b>	<b>3,845,555</b>	<b>1,574,086</b>	<b>2,271,469</b>	<b>40.9%</b>

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>YTD Activity</u>	<u>Remaining Bal</u>	<u>Percentage</u>
<b>Grand Totals Expenditures</b>	<b>88,742,343</b>	<b>89,533,588.37</b>	<b>69,349,784.69</b>	<b>17,593,368.24</b>	<b>80.3%</b>
<b>Grand Totals Revenues</b>	<b>88,752,343</b>	<b>88,752,343.14</b>	<b>77,864,542.43</b>	<b>10,887,800.71</b>	<b>87.7%</b>

Town of Scarborough  
Year To Date Education Expenditures  
Through March 31, 2017

<b>Education:</b>	<b><u>Original</u></b>	<b><u>Revised</u></b>	<b><u>YTD</u></b>	<b><u>Encumb</u></b>	<b><u>Available</u></b>	<b><u>Percent</u></b>
	<b><u>Appropriation</u></b>	<b><u>Budget</u></b>	<b><u>Expended</u></b>		<b><u>Budget</u></b>	<b><u>Used</u></b>
Regular instruction	26,886,233	26,886,233	19,842,380	34,866	7,008,987	73.9%
Improvement of instruction	993,479	993,479	727,153	13,773	252,552	74.6%
Special services	3,877,997	3,879,110	2,757,122	28,216	1,093,771	71.8%
General & special administration	232,239	232,239	178,073	-	54,166	76.7%
Board of education	33,323	33,323	25,647	-	7,676	77.0%
Office of the superintendent	666,197	666,197	510,359	110	155,728	76.6%
Business administration	2,002,509	2,002,509	1,462,516	381	539,611	73.1%
Transportation	1,547,918	1,547,918	1,051,051	-	496,867	67.9%
Operation and maintenance of plant	3,828,539	3,828,539	2,764,925	95,675	967,938	74.7%
Adult Education	182,805	182,805	133,264	128	49,413	73.0%
Food Service Allocation	25,000	25,000	-	-	25,000	0.0%
Debt service	5,761,633	5,761,633	4,642,407	-	1,119,226	80.6%
<b>Total Education</b>	<b>46,037,872</b>	<b>46,038,985</b>	<b>34,094,897</b>	<b>173,150</b>	<b>11,770,937</b>	<b>74.4%</b>

<u>Selected Revenues</u>	<u>Estimated Revenue</u>	<u>Actual YTD Revenue</u>	<u>% Collected</u>
Excise Tax Collections	5,200,000	4,274,507	82.2%
State Revenue Sharing	786,994	579,411	73.6%
Rescue Revenues	800,000	600,000	75.0%
LRAP-Local Road Assist.	325,668	317,212	97.4%
Building Permits	385,000	261,905	68.0%
Investment Interest	15,000	30,109	200.7%
Plumbing Permits	41,000	27,543	67.2%
Electrical Permits	57,000	37,377	65.6%
Education Subsidy	3,589,147	2,658,474	74.1%

**Town General Fund Revenues by Department**

Executive (TM, HR, TC)	451,167	143,600	31.8%
Fund Balance	328,380	-	0.0%
Finance	5,332,125	4,177,471	78.3%
Property Taxes	20,065,629	20,065,629	100.0%
MIS	475,860	256,071	53.8%
Planning	577,750	464,487	80.4%
Senior Programs	33,000	19,220	58.2%
Community Serv	2,200,131	1,360,539	61.8%
SEDCO	-	-	100.0%
Fire Dept	865,800	706,130	81.6%
Police Dept	766,271	645,336	84.2%
Public Works	1,532,891	988,750	64.5%
Debt	704,861	-	0.0%
Intergovernmental	2,502,322	1,984,548	79.3%
TIFs and Interfund Transfer:	898,097	440,713	49.1%
	<b><u>36,734,284</u></b>	<b><u>31,252,494</u></b>	<b>85.1%</b>