

Agenda
Town of Skowhegan
Budget Meeting
Tuesday, April 27, 2021
Following the Regular Selectmen's Meeting
Community Center – 39 Poulin Drive

****This meeting will be open to the public. Face masks must be worn and social distancing guidelines followed****

****Anyone wishing to see this meeting may also do so from the Town of Skowhegan Facebook page****

Board of Selectmen:

Paul York, Chairman
Betty Austin, Vice Chairman
Charles Robbins
Todd Smith
Roger Staples

Town Manager:

Christine Almand

Finance Director:

Trisha Austin

Call Meeting to order.

Regular Agenda:

1. Discussion and decision regarding debt retirement.
2. Discussion and decision regarding surplus.
3. Other Business.

Adjourn Meeting.

TOWN OF SKOWHEGAN OPERATING BUDGET

	2019 Budget	2020 Budget	2021 Budget	2021 Expenses YTD (3/24/2021)	2022 Initial Department Requests	2022 Manager Approved	2022 Budget Committee	2022 Selectmen
Dept/Div: 50-01 Capital Expenditures / Debt Retirement								
Long Term Debt								
55-10 Combined Sewer Overflow P	264,795.00	262,062.00	259,330.00	259,329.60	256,598.00	256,598.00		
55-15 TAN	20,000.00	20,000.00	20,000.00	0.00	20,000.00	20,000.00		
55-25 Combined Sewer Overflow II	404,818.00	398,984.00	393,149.00	393,148.25	387,314.00	387,314.00		
55-40 Highway Obligation Loan	121,619.00	0.00	0.00	0.00	0.00	0.00		
55-45 Highway Loader	23,275.00	0.00	0.00	0.00	0.00	0.00		
55-50 Highway Grader	20,737.00	20,737.00	20,737.00	20,736.44	20,737.00	20,737.00		
55-55 Highway Tandem Axle Truck	28,564.00	28,564.00	0.00	0.00	0.00	0.00		
55-60 Combine Sewer Overflow III	762,910.00	753,929.00	744,948.00	744,947.28	735,966.00	735,966.00		
55-65 Highway Sidewalk Plow	34,414.00	34,414.00	0.00	0.00	0.00	0.00		
55-70 Highway Western Star	31,141.00	31,141.00	31,141.00	31,140.28	31,141.00	31,141.00		
55-75 Highway Street Sweeper	38,891.00	38,891.00	38,891.00	38,890.28	38,891.00	38,891.00		
55-80 Energy Performance	146,717.00	146,717.00	175,328.00	131,259.42	173,495.00	173,495.00		
55-81 Front End Loader			56,115.00	56,114.85	56,115.00	56,115.00		
55-82 Public Safety Building					139,956.00	139,956.00		
Long Term Debt	1,681,132.00	1,735,439.00	1,739,639.00	1,675,566.40	1,860,213.00	1,860,213.00	0.00	0.00
Debt Retirement	1,681,132.00	1,735,439.00	1,739,639.00	1,675,566.40	1,860,213.00	1,860,213.00	0.00	0.00

Surplus

History of Usage:

FY2008	\$500,000.00	
FY2009	\$700,000.00	
FY2010	\$800,000.00	
FY2011	\$700,000.00	
FY2012	\$400,000.00	
FY2013	\$756,864.25	
FY2014	\$1,000,000.00	
FY2015	\$1,000,000.00	
FY2016	\$1,000,000.00	
FY2017	\$750,000.00	
FY2018	\$750,000.00	<i>\$475,000 to reduce tax commitment; \$150,000 for PW Roads & Sidewalks; \$100,000 for Public Safety Building; \$25,000 for P&R Ballfield Compound</i>
FY2019	\$1,418,000.00	<i>\$1,000,000 to reduce tax commitment; \$300,000 for P&R Ballfield Compound; \$100,000 for PW Roads & Sidewalks; \$18,000 for Police Department</i>
FY2020	\$1,167,071.00	<i>\$511,071 to reduce tax commitment; \$500,000 for Public Safety Building; \$75,000 for PW Roads & Sidewalks (Bridges); \$57,000 for Police Department; \$24,000 for P&R Ballfield Compound</i>
FY2021	\$800,000.00	<i>\$300,000 to reduce tax commitment; \$500,000 for Public Safety Building</i>

Surplus (Audited Fund Balance)	\$	4,245,400.00
Recommended Surplus (10% of FY2021 Budgets*)	\$	2,402,764.46
Available Surplus	\$	1,842,635.54
* FY2021 Town, School, & County Budgets	\$	24,027,644.62

Town Manager's FY2022 Recommendation:	\$	600,000.00	<i>to reduce tax commitment*</i>
	\$	800,000.00	<i>for P&R Ballfield Compound</i>
	\$	<u>1,400,000.00</u>	

This will leave \$442,635.54 more in surplus than the recommended level, which is \$10,308.94 more than was left last year.

Revenue Sharing

	<u>Amount</u>	<u>Increase/ (Decrease)</u>
FY08 Revenue Sharing	\$ 1,054,916.33	
FY09 Revenue Sharing	\$ 977,641.19	\$ (77,275.14)
FY10 Revenue Sharing	\$ 840,340.39	\$ (137,300.80)
FY11 Revenue Sharing	\$ 775,602.63	\$ (64,737.76)
FY12 Revenue Sharing	\$ 722,076.76	\$ (53,525.87)
FY13 Revenue Sharing	\$ 659,291.42	\$ (62,785.34)
FY14 Revenue Sharing	\$ 417,392.42	\$ (241,899.00)
FY15 Revenue Sharing	\$ 436,569.85	\$ 19,177.43
FY16 Revenue Sharing	\$ 436,449.38	\$ (120.47)
FY17 Revenue Sharing	\$ 404,074.57	\$ (32,374.81)
FY18 Revenue Sharing	\$ 439,368.23	\$ 35,293.66
FY19 Revenue Sharing	\$ 482,501.23	\$ 43,133.00
FY20 Revenue Sharing	\$ 789,040.06	\$ 306,538.83
FY21 Projected Revenue Sharing	\$ 683,242.81	\$ (105,797.25)
FY22 Projected Revenue Sharing*	\$ 814,568.02	\$ 131,325.21

* *Maine State Treasurer projection published 3/26/21.*

***IMPORTANT** Revenue sharing projections are based upon the most recent Revenue Forecast available at the time of publication. The State's Revenue Forecasting Committee may reconvene at any time and issue a revised forecast. Revenue sharing receipts to municipalities almost certainly will differ from projections as distributions are based upon actual tax revenue received and not on projected revenues.

*Treasurer's Commentary (3/26/21) Effective 7/1/20, revenue sharing reached a recent high of 3.75% not reflected below. Any FY 2022 projections are based on revenue forecasts and assume a 5% aggregate that has not recently been implemented. Data should not be considered a promise of payment. Final payments cannot be calculated with certainty until a new biennial budget is enacted and effective.

Budget Comparison

	FY2021	FY2022	Increase/ (Reduction)
Amount to Fund (Expenses)	\$ 12,577,960.50	\$ 13,581,695.00 *	\$ 1,003,734.50
Less Operational Revenues	\$ (2,408,200.00)	\$ (2,496,527.00)	\$ (88,327.00)
	<u>\$ 10,169,760.50</u>	<u>\$ 11,085,168.00</u>	<u>\$ 915,407.50</u>
Less Surplus	\$ (300,000.00)	\$ (300,000.00) **	\$ -
Less State Revenue Sharing	\$ (683,242.81)	\$ (683,242.81) ***	\$ -
	<u>\$ 9,186,517.69</u>	<u>\$ 10,101,925.19</u>	<u>\$ 915,407.50</u>

* Does not include service agencies that will not be on the warrant due to lack of petitions.

** If we use the same amount of surplus as last year.

*** Waiting for State Revenue Sharing Projections

Significant Changes

	FY2021	FY2022	Increase
Wages & Benefits*	\$ 5,503,596.00	\$ 6,143,841.00	\$ 640,245.00
Debt Retirement**	\$ 1,739,639.00	\$ 1,860,213.00	\$ 120,574.00
Capital Reserves	\$ 1,777,432.00	\$ 1,894,224.00	\$ 116,792.00
			<u>\$ 877,611.00</u>

* Approximately \$87,000 of the increase in wages and benefits is attributed to union negotiations.

* Also includes wages and benefits for two additional officers paid by the hospital and offset by increased revenues.

* Includes wages and benefits for two additional Fire Dept. employees and a P&R custodian.

** Maine Bond Bank interest rate for new Public Safety Building Bond came in at 2.0497%. This is a reduction of \$145,223 from what was projected with a 3% rate.

Tax Levy Limit (LD1)

		Without Surplus
Amount to Fund (Expenses)	\$ 13,581,695.00	\$ 13,581,695.00
Less Operational Revenues	\$ (2,496,527.00)	\$ (2,496,527.00)
Less Surplus	\$ (300,000.00) **	\$ -
Less State Revenue Sharing	\$ (683,242.81) ***	\$ (683,242.81)
Less Homestead	\$ (564,675.00)	\$ (564,675.00)
Levy Limit (LD1)	<u>\$ (9,716,440.00)</u>	<u>\$ (9,716,440.00)</u>
Over/(Under) Levy Limit	<u>\$ (179,189.81)</u>	<u>\$ 120,810.19</u>
		Over Levy Limit

** If we use the same amount of surplus as last year.

*** Waiting for State Revenue Sharing Projections. This is last year's figure.

There is \$1,842,635.54 available surplus over the recommended level.

This year's levy limit was increased by \$334,018.