

**Agenda
Town of Skowhegan
Joint Meeting
Selectmen and Budget & Finance Committee Meeting
Monday, May 2, 2022
5:30 P.M.
Municipal Building – Council Room**

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

Board of Selectmen:

Todd Smith, Chairman
Charles Robbins, Vice Chairman
Harold Bigelow
Steven Govoni
Paul York

Budget & Finance Committee:

Christian Savage, Chairman
Patrick Dore, Vice Chairman
E. Gene Rouse, Secretary
John Grohs
Rebekah Shankar
Judi York

Town Manager:

Christine Almand

Finance Director:

Trisha Austin

Call Meeting to order.

Joint Meeting:

1. Discussion and decision regarding an increase to the wage adjustment line.
2. Discussion and decision regarding the Public Safety Building utilities line.
2. Discussion and decision regarding surplus.
3. Other Business.

Adjourn Meeting.

Town Manager, Christine Almand

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Town of Skowhegan

Town Manager

225 Water Street
Skowhegan, Maine 04976



April 28, 2022

To: Board of Selectmen & Budget Committee
From: Christine Almand, Town Manager

Re: Additional budget items

Wage Adjustment – \$103,012 increase
(New figure \$814,597; Finance total \$1,481,596)

This increase is due to ongoing union negotiations and a pay increase for the Road Commissioner approved by the Selectmen. Further explanation will be provided at the meeting.

Public Safety Building Utilities – \$8,900
(New account)

This is a high estimate for utilities for a two-month period for the new Public Safety Building. We have an anticipated move-in date of May 15, 2023.

Surplus – \$1,850,000 recommendation

We have \$1,863,914.30 available surplus over the recommended level. I recommend using \$1,700,000 to reduce taxes, \$75,000 for the Opera House reserve account, and \$75,000 for the Town's 50% match for the Village Partnership Initiative.

Tax Levy Limit (LD1)

Based on the warrant article caps and available surplus, we will have to ask the voters to approve an increase to the property tax levy limit. If the three above budget items are approved as written, the budget recommendation impacts to the tax levy limit are as follows:

Initial Department Requests	\$22,881.55 under LD1
Town Manager	\$72,881.55 under LD1
Budget Committee	\$42,881.55 under LD1
Selectmen	\$274,118.45 <u>over</u> LD1
Article cap	\$350,118.45 <u>over</u> LD1

Public Safety Building Utilities - \$8,900.00

Electricity (2 months) \$5,899.96

Budget \$6,000

Delivery \$3,231.16

Supply 44,200 kWh @ .06038/kWh \$2,668.80

Heat/Hot Water \$2,498.00

Budget \$2,500

Propane 2,000 gallons @ \$1.249/gal

Water \$387.14

Budget \$400

Service \$109.94/quarter = \$439.76/year

Usage \$138.60/month = \$1,663.20/year

Budget Comparison

	<u>FY2022</u>	<u>FY2023</u>	<u>Increase/ (Reduction)</u>
Amount to Fund (Expenses)	\$ 13,581,695.00	\$ 16,103,613.00 *	\$ 2,521,918.00
Less Operational Revenues	\$ (2,496,527.00)	\$ (2,569,657.00)	\$ (73,130.00)
	<u>\$ 11,085,168.00</u>	<u>\$ 13,533,956.00</u>	<u>\$ 2,448,788.00</u>
Less Surplus	\$ (700,000.00)	\$ (700,000.00) **	\$ -
Less State Revenue Sharing	\$ (778,705.51)	\$ (1,121,861.85) ***	\$ (343,156.34)
	<u>\$ 9,606,462.49</u>	<u>\$ 11,712,094.15</u>	<u>\$ 2,105,631.66</u>

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

* Includes increases from Selectmen of \$373,000 to Capital Reserves

(\$103,000 for PW Equip Reserve & \$270,000 for Roads & Sidewalks Reserve)

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

*** Initial State Revenue Sharing Projections

Significant Changes

	<u>FY2022</u>	<u>FY2023</u>	<u>Increase</u>
Wages & Benefits*	\$ 6,143,841.00	\$ 7,206,080.00	\$ 1,062,239.00
Debt Retirement**	\$ 1,860,213.00	\$ 2,217,653.00	\$ 357,440.00
Capital Reserves	\$ 1,894,224.00	\$ 2,632,670.00	\$ 738,446.00
			<u>\$ 2,158,125.00</u>

* Increase of \$814,597 in wages and benefits is attributed to wage adjustments pending union negotiations.

** Increase of \$451,841 for Public Safety Building Bond.

Tax Levy Limit (LD1)

		<u>With 1.7M Surplus</u>	<u>Without Surplus</u>
Amount to Fund (Expenses)	\$ 16,103,613.00	\$ 16,103,613.00	\$ 16,103,613.00
Less Operational Revenues	\$ (2,569,657.00)	\$ (2,569,657.00)	\$ (2,569,657.00)
Less Surplus	\$ (700,000.00) **	\$ (1,700,000.00)	\$ -
Less State Revenue Sharing	\$ (1,121,861.85) ***	\$ (1,121,861.85)	\$ (1,121,861.85)
Less Homestead	\$ (568,975.70)	\$ (568,975.70)	\$ (568,975.70)
Levy Limit (LD1)	<u>\$ (9,793,000.00)</u>	<u>\$ (9,793,000.00)</u>	<u>\$ (9,793,000.00)</u>
Over/(Under) Levy Limit	<u>\$ 1,350,118.45</u>	<u>\$ 350,118.45</u>	<u>\$ 2,050,118.45</u>
		Over Levy Limit	Over Levy Limit

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

*** Initial State Revenue Sharing Projections

There is \$1,863,914.30 available surplus over the recommended level.

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	\$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
FY2019	\$1,418,000.00	\$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
FY2020	\$1,167,071.00	\$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
FY2021	\$800,000.00	\$300,000 to reduce tax commitment; \$500,000 for Public Safety Building
FY2022	\$1,400,000.00	\$700,000 to reduce tax commitment; \$700,000 for P&R Ballfield Compound

Surplus (Unaudited Fund Balance)	\$	4,397,000.00
Recommended Surplus (10% of FY2021 Budgets*)	\$	2,533,085.70
Available Surplus	\$	1,863,914.30
* FY2022 Town, School, & County Budgets	\$	25,330,857.02

Town Manager's FY2023 Recommendation:	\$	1,700,000.00	to reduce tax commitment
	\$	75,000.00	Opera House Reserve Account
	\$	75,000.00	PW Roads & Sidewalks (VPI match)
	\$	1,850,000.00	

This will leave \$13,914.30 more in surplus than the recommended level.

Revenue Sharing

	Amount	Increase/ (Decrease)
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 Revenue Sharing	\$ 856,140.34	\$ 67,100.28
FY22 Projected Revenue Sharing	\$ 778,705.51	\$ (77,434.83)
FY23 Projected Revenue Sharing*	\$ 1,121,861.85	\$ 343,156.34

** Maine State Treasurer projection published 3/17/22.*

***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.