



HAMPDEN TOWN COUNCIL
FY17 BUDGET WORK SESSION AND MEETING
HAMPDEN MUNICIPAL BUILDING
AGENDA

TUESDAY, JUNE 7, 2016

6:00 PM

1. Call to Order
2. Review of Proposed Town Manager FY17 Budgets (continued from May 23)
 - a. Economic Development
 - b. Assessor / Planning
 - c. Tax Increment Financing (TIF)
3. Presentation of FY17 financial impact of 1½% COLA compared to 1% COLA
4. Adjourn

Note: Depending on how much progress is made, one or more additional meetings regarding the topics above may be scheduled.

Town of Hampden FY17 Budget - Town Manager Proposed							
Account Number	Account Name	2015/16 Budget	2015/16 Budget	2015/16 Expended	2016/17 Proposed (DH)	2016/17 Proposed (Mgr)	Notes
Number		Adopted	Adopted	4/25/2016		Total	
01-30	Economic Development						
01-30-01-01	Salaries	\$70,594.00	\$70,594.00	\$58,022.36		\$0.00	} Reduced from 1FTE in FY16.
01-30-05-01	Fica/Medicare	\$5,400.00	\$5,400.00	\$4,310.26		\$0.00	
01-30-05-05	Retirement	\$5,930.00	\$5,930.00	\$4,945.18		\$0.00	
01-30-05-10	Workers' Comp	\$306.00	\$306.00	\$174.05		\$0.00	
01-30-05-15	Health Insurance	\$13,312.00	\$13,312.00	\$9,959.97		\$0.00	
01-30-05-20	Life Insurance	\$133.00	\$133.00	\$84.78		\$0.00	
01-30-05-25	Dental Insurance	\$150.00	\$150.00	\$112.50		\$0.00	
01-30-30-01	Advertising	\$2,000.00	\$2,000.00	\$2,000.00	\$2,000.00	\$2,000.00	Discover Maine (Penobscot Edition), Bangor Chamber, Maine Biz (only municipal sponsor).
01-30-30-45	Marketing	\$3,500.00	\$3,500.00	\$3,025.00	\$3,500.00	\$0.00	Maine Biz sponsorship of Fact Book.
01-30-30-60	Dues	\$250.00	\$250.00	\$0.00	\$250.00	\$250.00	Econ Dev Council of Maine
01-30-30-80	Training/Travel	\$3,000.00	\$3,000.00	\$1,229.41	\$3,000.00	\$1,750.00	Expense reimbursement for attendance and registration at strategically beneficial events such as municipal planning/development related training, trade shows, meetings with potential developers.
01-30-35-01	Legal	\$7,000.00	\$7,000.00	\$941.30	\$7,000.00	\$0.00	Costs proposed within Administration legal budget.
	Total 01-30	\$111,575.00	\$111,575.00	\$84,804.81	\$15,750.00	\$4,000.00	
		Personnel Expenses			Non-Personnel Expenses		
		FY16	FY17 Proposed		FY16	FY17 Proposed	
		\$95,825.00	\$0.00		\$15,750.00	\$4,000.00	
	<i>Proposed percent change:</i>		-100.0%		<i>Proposed percent change:</i>	-74.6%	

Town of Hampden FY17 Budget - Town Manager Proposed							
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Number		Adopted	Adopted	4/25/2016		Total	
01-25	PLANNING/ASSESSING						
01-25-01-01	Salaries	\$113,328.00	\$113,328.00	\$90,456.60	\$178,206.00	\$179,946.00	3 FTEs (increase from 2 FTEs in FY16; offset by reduction in Econ Dev Dept).
01-25-01-05	Wages	\$3,000.00	\$3,000.00	\$875.00	\$5,200.00	\$4,200.00	Scanning/indexing
01-25-01-25	Vehicle Expenses	\$2,000.00	\$2,000.00	\$560.58	\$2,000.00	\$2,000.00	Mileage for use of personal vehicles for site visits, meetings.
01-25-05-01	FICA/Medicare	\$8,669.00	\$8,669.00	\$6,959.15	\$13,633.00	\$13,766.00	7.65% of wages
01-25-05-05	Retirement	\$9,520.00	\$9,520.00	\$7,989.24	\$15,860.00	\$15,996.00	At per-employee terms.
01-25-05-10	Workers' Comp	\$1,400.00	\$1,400.00	\$1,681.42	\$1,421.00	\$1,414.00	Workers comp increase of 1.5% effective 1/1/16
01-25-05-15	Health Insurance	\$14,236.00	\$14,236.00	\$10,651.10	\$37,197.00	\$30,369.00	Health insurance up 9.85% effective 1/1/16. Budgeting for 5% increase in FY17.
01-25-05-20	Life Insurance	\$266.00	\$266.00	\$169.56	\$266.00	\$266.00	
01-25-05-25	Dental Insurance	\$300.00	\$300.00	\$225.00	\$450.00	\$450.00	
01-25-10-01	Office Supplies	\$2,500.00	\$2,500.00	\$2,138.48	\$2,500.00	\$2,500.00	Supplies for Code, GIS/IT, Planning, Econ Dev, Ambulance billing
01-25-10-05	Postage/Shipping	\$2,500.00	\$2,500.00	\$421.33	\$2,500.00	\$1,250.00	Mailings and notifications for PB activities; postage for Code, Ambulance, Econ Dev and GIS/IT.
01-25-10-15	Books/Publications	\$750.00	\$750.00	\$614.20	\$750.00	\$950.00	Resource materials. Reduced to offset increase in DPW books budget. Marshall & Swift pricing manuals (assessing).
01-25-10-17	Tree Planting	\$750.00	\$750.00	\$0.00	\$0.00	\$0.00	Budgeting for trees required for Tree City USA. Suspended FY16.
01-25-15-01	Telephone	\$1,200.00	\$1,200.00	\$900.00	\$1,200.00	\$1,200.00	Phone for Assessor, Admin Asst, Planner, CEO, GIS/IT.
01-25-20-01	Software Contracts	\$6,025.00	\$6,025.00	\$5,692.52	\$4,725.00	\$4,725.00	Trio licensing for Assessing, GIS/IT, Admin. (Reduction due to one-time cost of sketching component in FY16).
01-25-30-60	Dues	\$350.00	\$350.00	\$256.00	\$350.00	\$350.00	Maine Chapter Int'l Assn Assessing Officers
01-25-30-80	Travel/Training	\$1,000.00	\$1,000.00	\$528.96	\$1,200.00	\$1,200.00	Maine certification & education
01-25-30-85	Zoning	\$4,800.00	\$4,800.00	\$1,196.00	\$4,800.00	\$3,200.00	Public hearing costs, notices, plan review
01-25-35-01	Legal	\$6,000.00	\$6,000.00	\$4,829.58	\$6,000.00	\$6,000.00	Legal review of deeds/agreements/contracts and ordinances. Also covers CEO/Bldg Inspector legal.
	Total 01-25	\$178,594.00	\$178,594.00	\$136,144.72	\$278,258.00	\$269,782.00	
		Personnel Expenses			Non-Personnel Expenses		
		FY16	FY17 Proposed		FY16	FY17 Proposed	
		\$150,719.00	\$246,407.00		\$27,875.00	\$23,375.00	
	<i>Proposed percent change:</i>		63.5%		<i>Proposed percent change:</i>	-16.1%	

Town of Hampden FY17 Budget - Town Manager Proposed								
Account Number	Account Name	2015/16 Budget	2015/16 Budget	2015/16 Expended		2016/17 Proposed (Mgr)	Notes	
Number		Adopted	Amended	4/25/2016		Total		
67-01-55-25	TIF REIMBURSEMENT							
G 1-397-00	TIF - University Club CEA			\$9,003.61		\$9,003.61	Estimated payment to company through CEA.	
TBD	TIF - Emera CEA			\$86,198.00		\$135,880.50	Estimated payment to company through CEA.	
TBD	TIF - HEC Hampden			\$5,058.50		\$5,058.50	Estimated payment to company through CEA.	
TBD	TIF Expenses, Univ. Club			\$2,689.39		\$2,689.39	Allocation to eligible TIF expenses.	
TBD	TIF Expenses, Emera			\$86,198.00		\$135,880.50	Allocation to eligible TIF expenses.	
	67-01 Total	\$20,000.00	\$189,148.00	\$189,147.50		\$288,512.50	Based on Assessor calculation 5/2/16. (Excludes \$5,058.50 part of Tax Commitment)	
	<i>* Reflects approved budget amendments to properly fund Credit Enhancement Agreements.</i>							
				<i>Proposed percent change:</i>		52.5%		

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TO: Finance Committee and Town Council
FROM: Angus Jennings, Town Manager
DATE: March 17, 2016
RE: Proposed FY16 Budget Adjustment for TIF funds

As was discussed at the March 7 meetings of the Finance Committee and the Town Council, the approved FY16 budget budgeted \$20,000 for TIF. This amount was inadequate to support the FY16 Credit Enhancement Agreement (CEA) obligations of \$100,260.11 and was well short of the \$189,147.88 that the Assessor reported to Maine Department of Revenue (DOR) as the TIF Financing Plan Amount in her 2015 Tax Rate Calculation Form.

At the prior meeting, the Council approved a budget adjustment of \$80,260.11 from the Unassigned Fund Balance to the TIF Budget Account 67-01-55-25. This will allow us to meet our FY16 obligations under the CEAs.

As was discussed at that meeting, the matter now before you is whether to transfer some or all of the remaining eligible amount to the TIF Budget Account for use in FY16, and/or for carry-forward to subsequent fiscal years. (Just as with Reserve Accounts, unexpended TIF balances survive the change of fiscal years).

Because the Assessor's calculation and reporting of TIF revenues to DOR was accurate, the maximum allowable TIF revenues may be "sheltered" – provided that such funds are actually budgeted to TIF. Accounting for the prior budget adjustment to meet the CEA obligations, and excluding revenues from the HEC Hampden TIF (which, per the terms of the TIF Agreement, are deposited to the General Fund and not subject to TIF sheltering), this leaves an amount of \$88,887.51 that is eligible for transfer to TIF funds and for use for the purposes included in the approved TIF agreements. The large majority of this amount – \$86,198.00 – results from the Emera TIF; eligible purposes for Emera TIF funds (if sheltered) are summarized at the end of this memo.

If the Council wishes to "shelter" the full eligible amount, a motion to amend the FY17 budget to transfer \$88,887.51 from Unassigned Fund Balance to the TIF Budget would be in order. At Monday's meeting the Council may, but need not, make any decision regarding how such funds

would be expended. This action would simply transfer the funds to allow for future use for TIF eligible purposes.

If less than the full amount of reported TIF revenues is transferred, the portion not transferred would remain in the General Fund, and my office would work with the Assessor to file an amended 2015 Municipal Tax Rate Calculation Standard Form. This would affect DOR's calculation of Municipal Revenue Sharing, County Tax, and the Town's portion of assessment for RSU-22 (since each of these is based on total valuation, and were based on the reported TIF revenues).

<u>Eligible Uses, Emera TIF Funds</u>	
<u>Within District</u>	<u>Cap (over the life of the TIF)</u>
Capital costs including land acquisition/road upgrades and public infrastructure including power/sewer/water/natural gas utilities, building demolition/alteration, site preparation/finishing work, associated fees/expenses (some exclusions)	\$ 1,960,000.00
Financing	\$ 75,000.00
Real property assembly such as right of way acquisition	
Professional services including planning/licensing/legal	\$ 50,000.00
Administration including prorated municipal salaries	\$ 32,000.00
Organizational costs including impact studies	\$ 5,000.00
<u>Outside District</u>	
Infrastructure improvements	\$ 18,150,000.00
Public safety such as traffic mitigation/ signalization and fire protection equipment	\$ 1,000.00
Portage of revenues to future downtown-designation Municipal TIF District, while its IAV capture remains 100%	\$ 300,000.00
<u>Within Municipality</u>	
Economic development programs/events that market Town as business location, marketing/feasibility and other studies, prorated municipal salaries	\$ 200,000.00
Environmental improvement projects	\$ 50,000.00
Permanent revolving loan funds, investment funds and grants per Sec. 5225(1)(C)(3) for costs of economic development activities authorized by 30-A M.R.S. Sec. 5225 and Department rules as may be amended from time to time	\$ 50,000.00
Training fund/scholarships for jobs created or retained in Hampden	\$ 100,000.00
Recreational trails	\$ 40,000.00
Grant matching related to economic activities in 30-A M.R.S. Sec. 5221-5235	\$ 100,000.00
	\$ 21,113,000.00