



# Hampden Town Manager & Council Goal Setting for FY17

Saturday, February 6, 2016



# Goals for Goal Setting

- Two sessions: today and Saturday, Feb. 20
- Today provides opportunity:
  - For Staff and Department communication of successes, concerns and ideas / vision
  - Council / Manager identify questions, ideas, proposals
- Second Session Agenda based on today's outcomes:
  - Research updates
  - Ideas discussion
  - Proposals
- Session 2 Agenda to be informed by today's discussions
- FY17 Budget Goals to be set Feb. 20

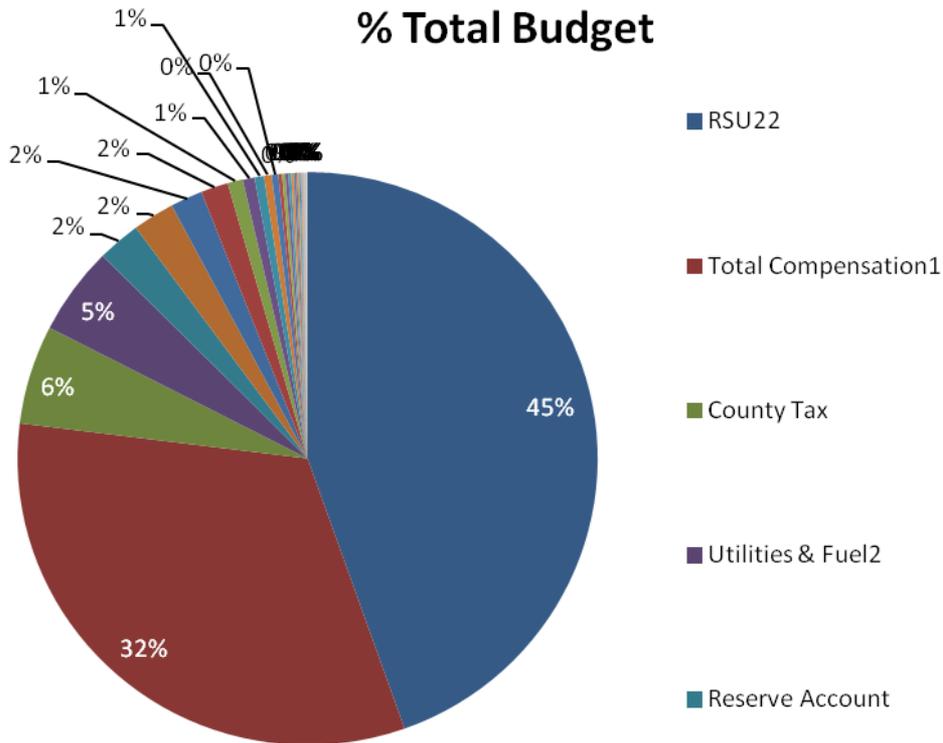


# Today's Agenda

- “Operational and Budget Trends, Notes, Observations” (Town Manager Presentation)
- Department Head and Staff perspectives
- Questions, ideas and items for “parking lot” welcome throughout; limited discussion
  - Designation of Notetaker(s)
- Council and Manager set Objectives for 2<sup>nd</sup> Goal Setting Session



# Current Year Budget: Summary



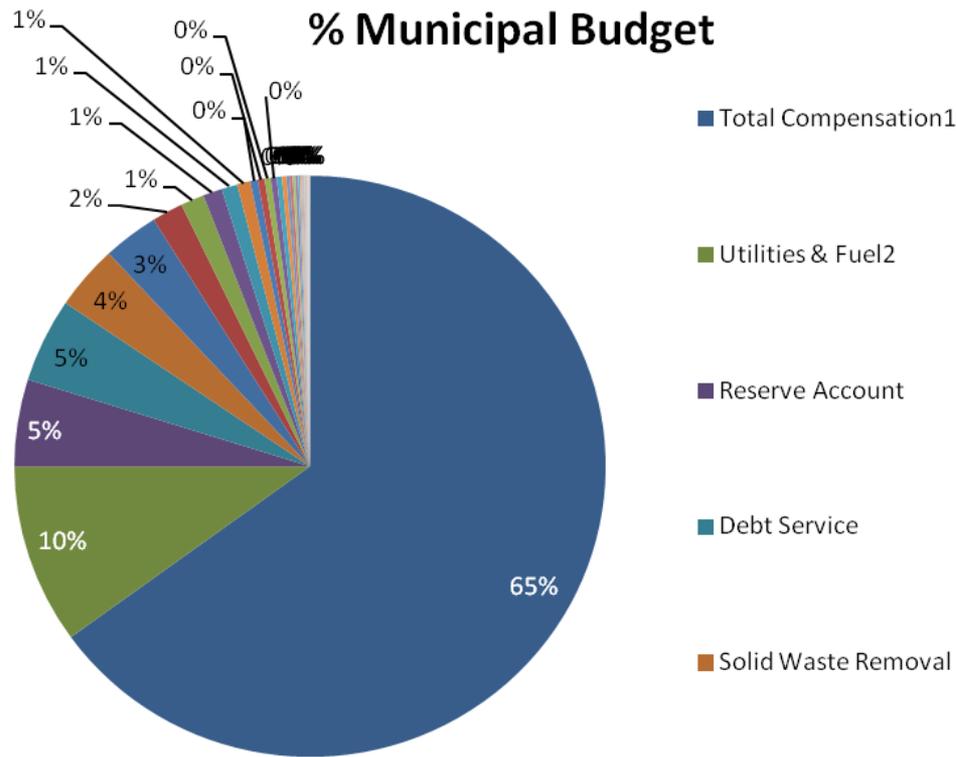
<sup>1</sup> Total Compensation includes Salaries, Wages, Health Insurance, Retirement, FICA/Medicare, Worker's Comp, Group Insurance, Life Insurance and Dental Insurance.

<sup>2</sup> Utilities & Fuel includes hydrant rental, fuel, electricity, telephone, internet costs, water and sewer.

- Before taking into account offsetting revenues (excise tax, etc), RSU-22 accounts for 45% of budget, and County tax accounts for 6%
- Analysis of Town budget limited to remaining ~49%



# Current Year Town Budget: Top Costs



<sup>1</sup> Total Compensation includes Salaries, Wages, Health Insurance, Retirement, FICA/Medicare, Worker's Comp, Group Insurance, Life Insurance and Dental Insurance.

<sup>2</sup> Utilities & Fuel includes hydrant rental, fuel, electricity, telephone, internet costs, water and sewer.

- Looking just at municipal budget, total compensation is largest expense (65%)
- Utilities/Fuel second largest expense (10%)
- Reserve funds and Debt Service (5% each)
- Solid Waste (4%)
- Remaining costs (~16%)
- Not factoring fees/revs

# Current Accounting: Good News

- FY16 Mid-Year Budget Status Review: All budgeted departments on track to stay within approved budgets
- Administration staff highly competent; day-to-day accounting exceptional
- Recent refinance of Business Park bond (unbudgeted) reduces payments in FY18-21
- Environmental Trust is resource in out years

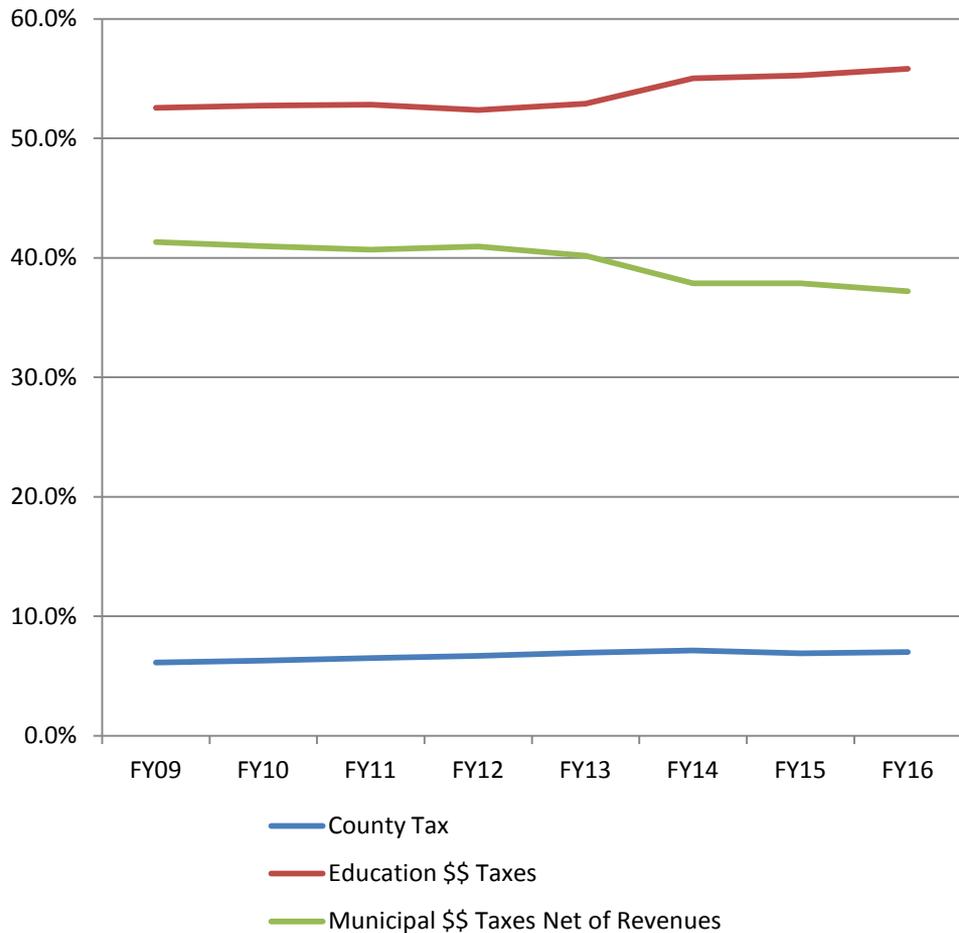


# Financial Challenges: Present

- On Feb. 3, made first “draw” from TAN; short-term borrowing may be needed until spring tax receipts
- Sewer operating and capital deficits; need for further Interfund Transfers in FY16 to make debt service payments
- Streets & Roads Reserve FY16 Budgeted Funds spent before year-end FY15
- DPW Equipment Reserve Account began FY16 in deficit (\$47,962)
- Salary/Benefit Reserve (FY16 \$40k budget) is now contingency fund



# Budget Trends: FY09-FY16

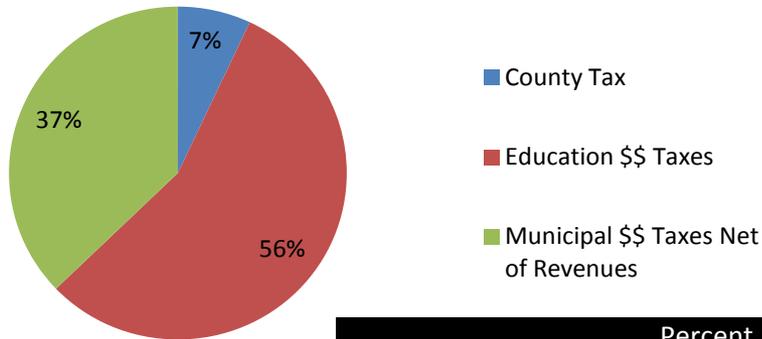


- Greater percentage of each property tax dollar going to RSU-22 and County
- Municipal percentage of property tax revenue steadily decreasing
- Over this period, Town -2.2%, RSU +22%



# RSU-22

## Hampden Tax Expenses by Percent FY16



Year	Education \$\$ Taxes	Percent change, year to year
FY09	\$ 5,024,922	-0.1%
FY10	\$ 5,115,775	1.8%
FY11	\$ 5,145,806	0.6%
FY12	\$ 5,184,588	0.8%
FY13	\$ 5,299,962	2.2%
FY14	\$ 5,650,341	6.6%
FY15	\$ 6,033,040	6.8%
FY16	\$ 6,130,574	1.6%

% Change,  
FY09-FY16 22.0%

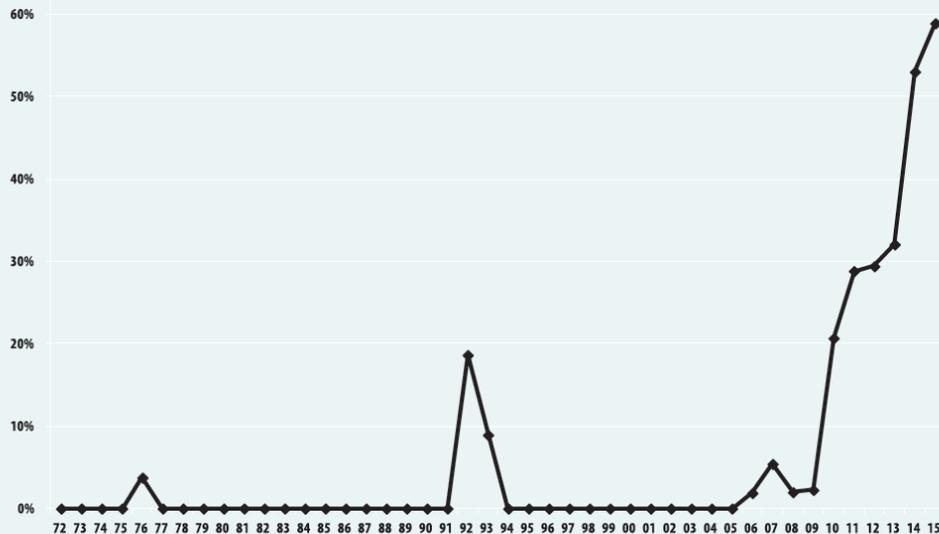
Source: Hampden Municipal Tax  
Rate Calculation Forms

- Meeting upcoming with RSU-22 Board and Administration
- Seeking coordinated FY17 budgeting
- Four-town effort
- FY17 State Ed. Revs. to District proj. (-\$325,300)
- Manager goal: FY17 not the year for McGraw-Weatherbee



# Budget Trend: Less State Support

Percent of Revenue Sharing Funds Redirected to State General Fund 1972-2015

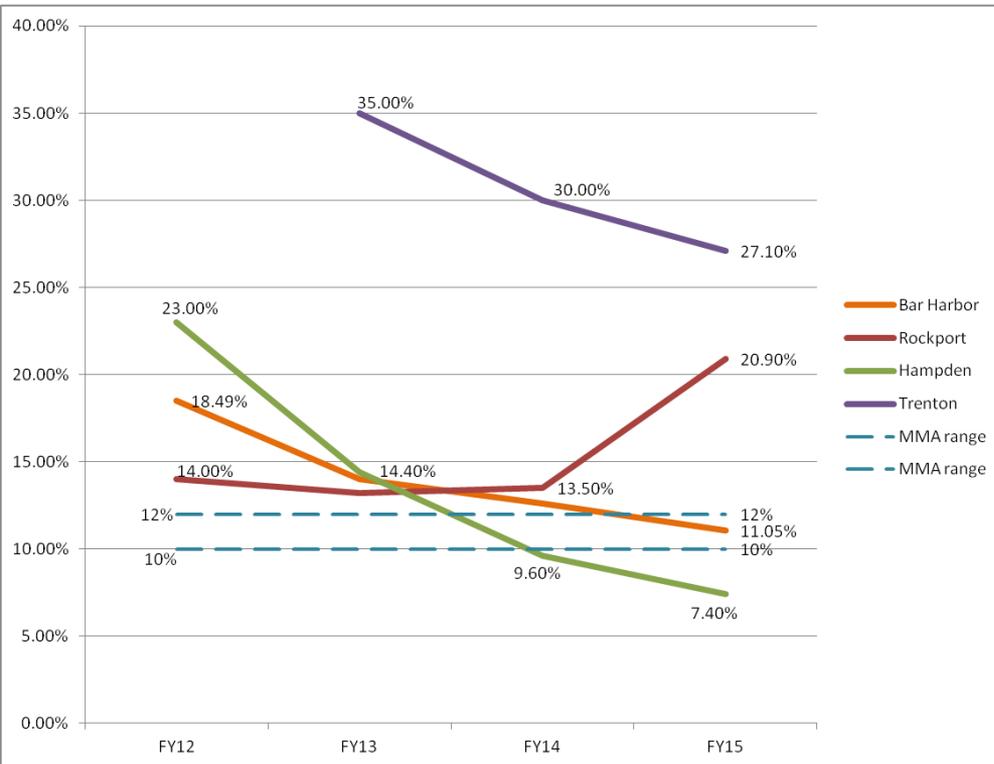


Source: Office of Fiscal and Program Review; State Budget Documents.

- Municipal Revenue Sharing, which had long been fully funded per Statute, has increasingly been “raided” (MMA)
- In Hampden, fell from \$800k (FY10) to \$600k (FY13) to \$348k (FY16)



# Undesignated Fund Balance below recommended



- MMA recommends maintaining balance of 10-12% of annual budget
- Hampden fell below 10% in FY14; at year-end FY15 fell to 7.4%
- Will fall further
- FY16 TAN (for current expenses, first time)



# Budget Trends: Host Community Benefit Account declining resource

- Host Community Benefit Account
  - Current balance: \$259,610
  - Amount due from Sewer Fund over time
- Manager Goal for FY17:
  - Budget for all items paid from HCB that remain policy priorities (or requirements)
- HCB items proposed for FY17 Budget
  - Debt service: \$108,097 (offset by \$95,569 debt service paid off in FY16)
  - Stormwater management
  - Decorations: Veterans Day, Christmas Lights
- -\$40k for A/V upgrade after reimbursement; potential more cable \$



# Budget Trends: Looking Ahead

- Known cost increases
  - Health insurance
  - County tax
- Potential cost increases
  - RSU-22
  - Expand newsletter to business addresses
  - Reserve funding
- Items “new” to budget
  - HCB items into budget
- Known/potential cost savings
  - Locked in lower oil rates for FY17 (\$36,740)
  - Library electrical cost savings (LED lighting)
  - The Bus (Fy16 includes Saturday Service \$)
  - Potential TIF funding to offset costs otherwise included in budget



# Revenues

- Known lost revenues
  - BDN to tax-exempt
- Assessor working with Town Manager and providing regular updates of projections of FY17 new revenues based on close tracking of permitting and construction
- State Policy Effects
  - Modest drop in projected statewide revenue sharing
  - Hampden numbers not yet known
  - Homestead Act law changes
- Manager goal: targeted meeting with Augusta delegation

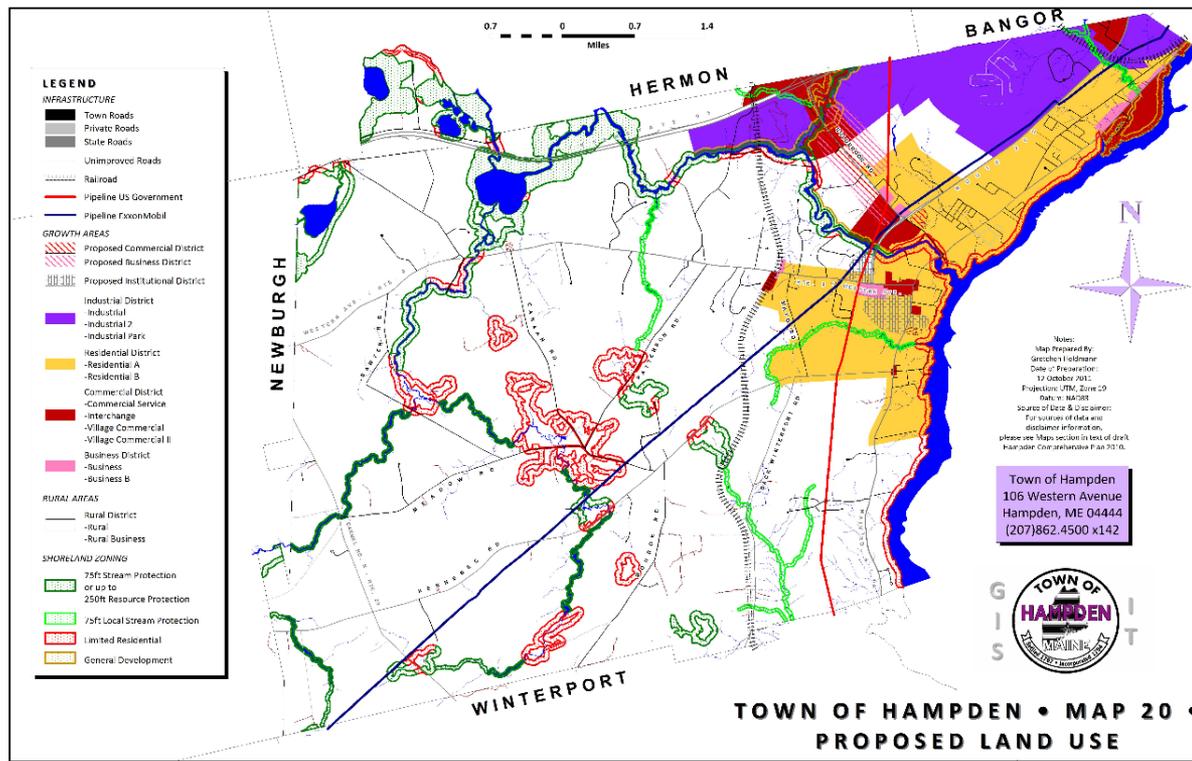


# Sewer Fund

- Outstanding invoices due to Bangor WWTP
- Retainage to come due from Rte 1A Sewer work (2009 bond) (-\$39,836)
- Known cost increases
  - Bangor rate (+5%)
  - Pump Station Maintenance (+3%)
  - Share of Bangor capital costs (TBD)
- Revenue projections
  - To result from Rate Setting Public Hearing on Feb. 16 at 7 PM
- Manager goal: by FY17, Sewer Fund will be restored to sustainable financial strategy



# Economic Development



- Networks: HBA etc.
- Tools (general)
  - Policy
  - Investment (Infra; TIF)
  - Changes in practice
- Geographic nodes
  - Coldbrook Road
  - Business Park
  - Town Center
  - Rte. 1A & Kennebec
  - River Vision



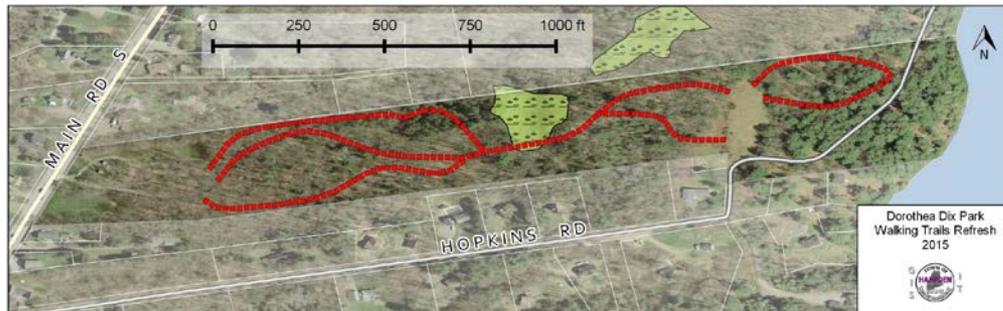
# Town Facilities

- FY17 Budget to determine whether to continue Skehan Center lease
- Transfer Station changes in configuration, incl. internal circulation and swap shop
- Manager goal: planning process for public facilities in VFW / Kiwanis to Main Road North block, coordinated with land use, infrastructure and economic development planning



# Parks

- Establish maintenance plan, with realism based on budget
- Community-led improvements to Dorothea Dix Park (?)
- Pursue grant funding for tennis courts
- Conservation/Rec fund being evaluated (Services Committee)
- In out years, expand offerings as supported by budget or other revenues (i.e. grants, private)



# Recreational and Cultural Facilities

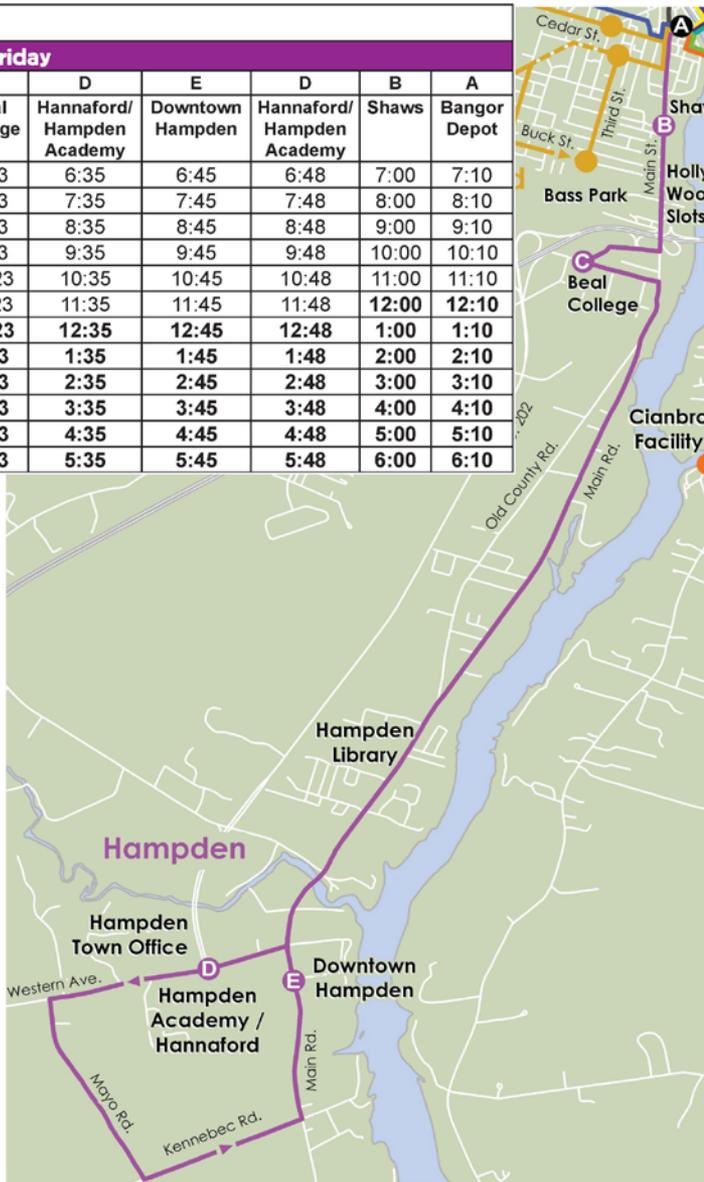
- Move Recreation and Pool toward online registration and payment to improve customer service, potentially increase revenues and substantially reduce administrative hours
- Manager goal: During FY17, establish clear policy and financing strategy (if applicable) to implement consensus (or majority) policy objectives relative to Rec, Pool, Library



## Hampden

### Monday Through Friday

A	B	C	D	E	D	B	A
Bangor Depot	Shaws	Beal College	Hannaford/Hampden Academy	Downtown Hampden	Hannaford/Hampden Academy	Shaws	Bangor Depot
6:15	6:20	6:23	6:35	6:45	6:48	7:00	7:10
7:15	7:20	7:23	7:35	7:45	7:48	8:00	8:10
8:15	8:20	8:23	8:35	8:45	8:48	9:00	9:10
9:15	9:20	9:23	9:35	9:45	9:48	10:00	10:10
10:15	10:20	10:23	10:35	10:45	10:48	11:00	11:10
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12:15	12:20	12:23	12:35	12:45	12:48	1:00	1:10
1:15	1:20	1:23	1:35	1:45	1:48	2:00	2:10
2:15	2:20	2:23	2:35	2:45	2:48	3:00	3:10
3:15	3:20	3:23	3:35	3:45	3:48	4:00	4:10
4:15	4:20	4:23	4:35	4:45	4:48	5:00	5:10
5:15	5:20	5:23	5:35	5:45	5:48	6:00	6:10



# The Bus

- Manager goal: seek optimum financial terms for FY17 operations
- Bus route and stops “on the table”
- Is boosting ridership a policy goal?  
Counting ridership?



# GIS / IT Work Backlog

- Replace public safety server
- Replace wifi
- Clean GIS layers: parcel, building, dimensions
- New GIS data: detention ponds, flood zones, historic district
- Write new policies:
  - Data breach policy
  - Disaster recovery / operational continuity
- Convert 7 roads to e911
- Hampden website refresh



# Outside Agency Requests Received

- American Red Cross
- Eastern Area Agency on Aging
- Community Health and Counseling Services
- Hammond Street Senior Center
- The Lifelight Foundation
- Spruce Run Womancare Alliance
- Goodwill Rider Snowmobiles Club
- Hampden Garden Club
- Others anticipated
- To be considered concurrent with formal budget proposal and adoption process



# Personnel Management

- Fundamental to my role as Town Manager
- Framework: Town Ordinance, State and Federal Laws, Union Contracts, Employment Agreements, and Fair Labor Laws. Also, foster a positive professional environment.
- Organizational changes
  - Town Clerk retirement
  - Planning/Econ Dev/ Assessing / GIS/IT 12-month post-eval by May
  - Public Works administration
- Updated Org Chart, job descriptions underway



# Personnel Observations

- Personnel changes have led to wholesale reevaluation of functions, services, resources and strategy
- With new Town Manager, DPW Director and Town Clerk, dynamic time period anticipated
- Evaluation ongoing of Planning/ Econ Dev/ Assessing / GIS/IT / Code org. setup
- DPW: long-term success of Department will rely on broadening administrative support and responsibilities beyond Director



# Other Town Manager Goals

- Amended Ordinances:
  - Harbor Ordinance updates (FY16)
  - Recodification (complete)
  - Fees Ordinance (not just sewer)
  - Updates to Personnel Ordinance and Policies
  - Parking & variance policy; land use policy in general
- Potential new policies:
  - Inclement Weather Policy
  - Hunting on Town owned land
- Execute new Cable Franchise Agreement
- Resolve Developer Escrow Accounts
- Personnel / org structure



# Next Steps

- Hear from Department Heads and Staff
- Notetaker(s)
  - Requests for research
  - Ideas for consideration, evaluation
  - Proposals
- Guidelines to consider:
  - What level of service do taxpayers expect?
  - For policy/reforms, Prioritization Matrix: Current/Future; and Level of Importance
  - Individual; then establish majority priorities

