

Town of Camden Budget  
Committee Organization  
Meeting  
FY 23-24

# AGENDA

- Welcome & Introductions – Budget Committee Chair
- Rules of Order and Procedures – Budget Committee Chair
- Budget Committee Roles & Responsibilities
- Budget Basics
- Budget Committee Process
- FY23 Budget Overview
- Overview of Wages & Benefits
- Other Business

# Welcome & Introductions

Budget Committee Member Introduction

Town Staff & Officials Introduction

Election of Budget Committee Chair

## Roles & Responsibilities

- Recommend a budget to the Select Board
- Read material provided
- Feel free to ask questions prior to meetings if you need more information
- Call us out for using jargon – if you don't understand something, you're almost certainly not the only one!
- Come to meetings prepared
- Observe agreed on rules of order during meetings

# Budget Basics

- The preparation and approval of a budget is the single most fundamental policy set by a municipality. It determines what services will be provided, to what extent they will be provided, and how they will be funded. This affects every citizen in our community.

# Budget Basics – Purpose of a Budget

An accounting document (record & control expenditures)

A management document (determines who can spend how much)

Decision-making document (basis for sound decision-making by Select Board & Town Staff)

Communications document (informing public of how their money is being spent)

# Importance of the Budget Committee

You provide invaluable feedback on levels of service and what projects, policies and other initiatives are important to the community

Often the broader conversations around desired levels of service, issues and opportunities are more important than discussions about specific line items

Even feedback we receive from the Budget Committee which cannot be implemented in upcoming budget, becomes very important for future planning and budget preparation

# Budget Basics – Camden’s Budget

## General Government Administration & Finance

Account	FY 19 Budget	FY 19 Actuals	FY 20 Budget	FY 20 Actuals	FY 21 Budget	FY 21 Actuals To Date	FY 22 Dept Head	FY 22 Town Manager	FY 22 Budget Committee	FY 22 Select Board
0101-0101 Full Time Wages	376,000	383,076	405,000	403,979	448,000	287,469	462,900	462,900	462,900	462,900
0101-0105 Stipends	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500
0101-0110 Overtime	5,000	1,832	3,000	1,997	3,000	163	2,000	2,000	2,000	2,000
0101-0501 FICA & Medicare	30,000	29,604	32,000	30,691	35,300	22,172	36,400	36,400	36,400	36,400
0101-0505 ICMA/MPERS	38,200	38,623	41,000	41,167	45,600	29,596	47,900	47,900	47,900	47,900
0101-0510 Health Insurance	143,000	131,100	163,500	162,015	169,000	95,669	169,000	169,000	169,000	169,000
0101-0515 Employee Wellness Program	1,000	2,128	1,000	346	1,000	-	1,000	1,000	1,000	1,000
0101-0517 Mileage Stipend	2,400	2,400	2,400	2,400	2,400	1,569	2,400	2,400	2,400	2,400
0101-1001 Office Supplies	13,000	10,941	13,000	11,480	12,000	6,886	12,000	12,000	12,000	12,000
0101-1003 Postage	13,000	12,108	13,000	12,924	13,500	6,016	13,500	13,500	13,500	13,500
0101-1004 Advertisements/Public Notices	3,000	4,292	3,000	2,597	3,500	1,973	3,000	3,000	3,000	3,000
0101-1005 Dues & Publications	2,000	1,956	2,000	1,655	2,200	1,511	2,200	2,200	2,200	2,200
0101-1201 Mileage	500	1,098	500	405	1,000	-	1,000	1,000	1,000	1,000
0101-1202 Professional Development	4,000	2,883	4,000	3,259	4,000	315	3,000	3,000	3,000	3,000
0101-1210 Liens & Discharges	3,000	3,257	3,000	2,675	3,500	3,666	3,900	3,900	3,900	3,900
0101-1211 Elections	15,000	14,200	13,000	11,361	15,000	16,101	13,000	13,000	13,000	13,000
0101-1214 Town Clock	1,500	1,429	1,500	1,491	1,500	328	1,500	1,500	1,500	1,500
0101-1520 Communications	3,000	1,485	10,000	9,690	10,000	6,303	10,000	10,000	10,000	10,000
0101-3011 Printing	9,500	10,366	9,500	4,062	10,000	4,171	10,000	10,000	10,000	10,000
0101-3012 Organization Dues	9,300	8,590	9,300	9,807	9,300	8,618	9,300	9,300	9,300	9,300
0101-3013 Equipment Maintenance	10,000	7,625	10,000	6,636	10,000	4,015	10,000	10,000	10,000	10,000
0101-3025 Auditor	20,500	28,050	20,500	17,350	21,000	17,150	21,000	21,000	21,000	21,000
0101-3181 Transcriber/Camera Operator	4,500	4,201	4,500	4,544	4,500	1,913	4,500	4,500	4,500	15,000
<b>Total Administration/Finance/Assessing</b>	<b>714,900</b>	<b>708,744</b>	<b>772,200</b>	<b>750,031</b>	<b>832,800</b>	<b>523,104</b>	<b>847,000</b>	<b>847,000</b>	<b>847,000</b>	<b>857,500</b>
							1.7%	1.7%	1.7%	3.0%

Change over FY 21

Line Item Budget – most common form used by local governments

Connects and reports information on inputs used to produce government services

Allows for a great deal of oversight & control

Does not allow a great deal of flexibility



# Budget Basics — Composition

Comprised of several separate sections:

- Budget Message
- General Fund
- Debt Service
- Capital Improvements & Reserves
- Revenues
- Expenditure Summary

Special Revenue Funds – Sits outside General Fund Budget & Not Approved by Voters

- Snow Bowl
- Wastewater Department

# Budget Basics – Frequently Used Terms

**TIF – Tax Increment Financing District:** A defined geographic area where new property taxes (or a portion of new taxes) generated by a specific project or projects are set aside to be used to finance public or private projects for a defined period of time of up to 30 years. Camden has 2 TIF Districts: The Downtown TIF District & Highway TIF District.

**Retiring Debt** – When the Town completely pays off the principal on a bond or note.

**COLA** – Cost of Living Adjustment. When wages are adjusted to keep pace with inflation. The Town traditionally uses the social security index.

**Surplus/Unassigned Fund Balance:** Currently \$3,600,000. Best practice is to have enough funding available to sustain government operations for a period of approximately 2 months. To meet this benchmark Camden needs approximately \$2 million in our unassigned fund balance.

# Budget Basics – Impact on Taxes

- Tax rate (mil rate) is calculated by dividing the total municipal appropriation (expenses minus revenues) and school and county appropriation by the Town's valuation

Current mil rate calculation: \$21,974,831

Total Amount to be raised through local property taxes: School Assessment, County Assessment & Municipal Appropriation

Total Valuation: Real Estate & Personal Property

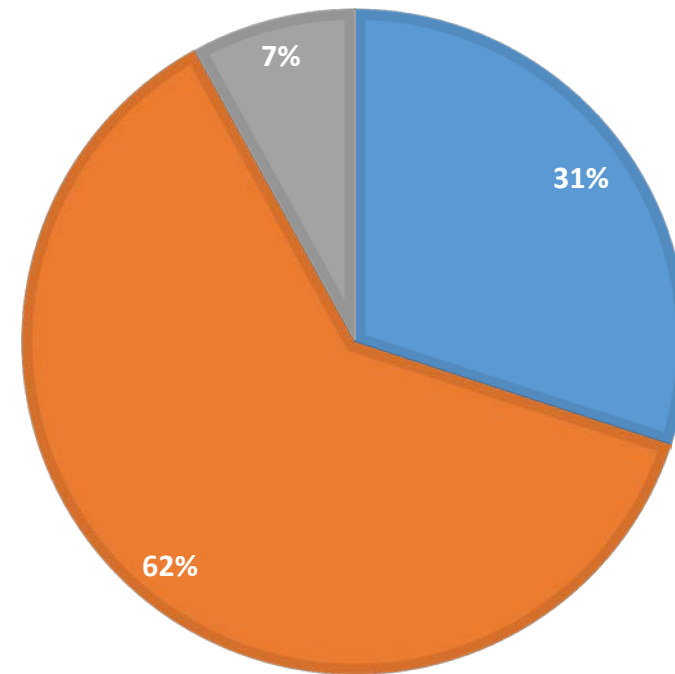
\$1,660,500,000

= \$13.20/\$1,000 of value (current mil rate)

- The Budget you ultimately recommend accounts for 30% of your tax bill.
- The remaining 70% of your tax bill is determined by a combination of the School District and County

**DISTRIBUTION**

■ Municipal ■ School ■ County



# Budget Basics – Impact on Taxes

# Budget Basics – Impact on Taxes

- To reduce the tax rate 1 cent, we would have to cut spending by \$13,200, or increase *revenues* by \$13,200.
- To reduce the tax rate 10 cents, we would have to cut spending by \$132,000, or increase revenues by \$132,000.
- To reduce the tax rate by \$1.00 we would have to cut spending by \$1.32 million, or increase revenues by \$1.32 million.
- To reduce the tax rate by 1 cent the *assessed value* needs to grow by \$1,320,000
- To reduce the tax rate by 10 cents the *assessed value* needs to grow by \$13,200,000
- To reduce the tax rate by \$1.00 the assessed value needs to grow by \$132,000,000



FY23-FY24 Budget Proposal

# FY 23-24 Challenges

All costs of fuel, electricity, labor and contract services are continuing to increase.

Payroll increases – 8.7% COLA for employee retention and attraction. Necessary for keeping pace with inflation and staying competitive with surrounding municipalities and private sector employers.

Planning/Design/Engineering and matching funds required to take advantage of the many Federal infrastructure and climate change resiliency funding opportunities.

There is no significant debt retiring until FY25 & FY27

Need to build up reserve funds in anticipation of capital projects.

# FY 23-24 Solutions

No increases to health insurance premiums

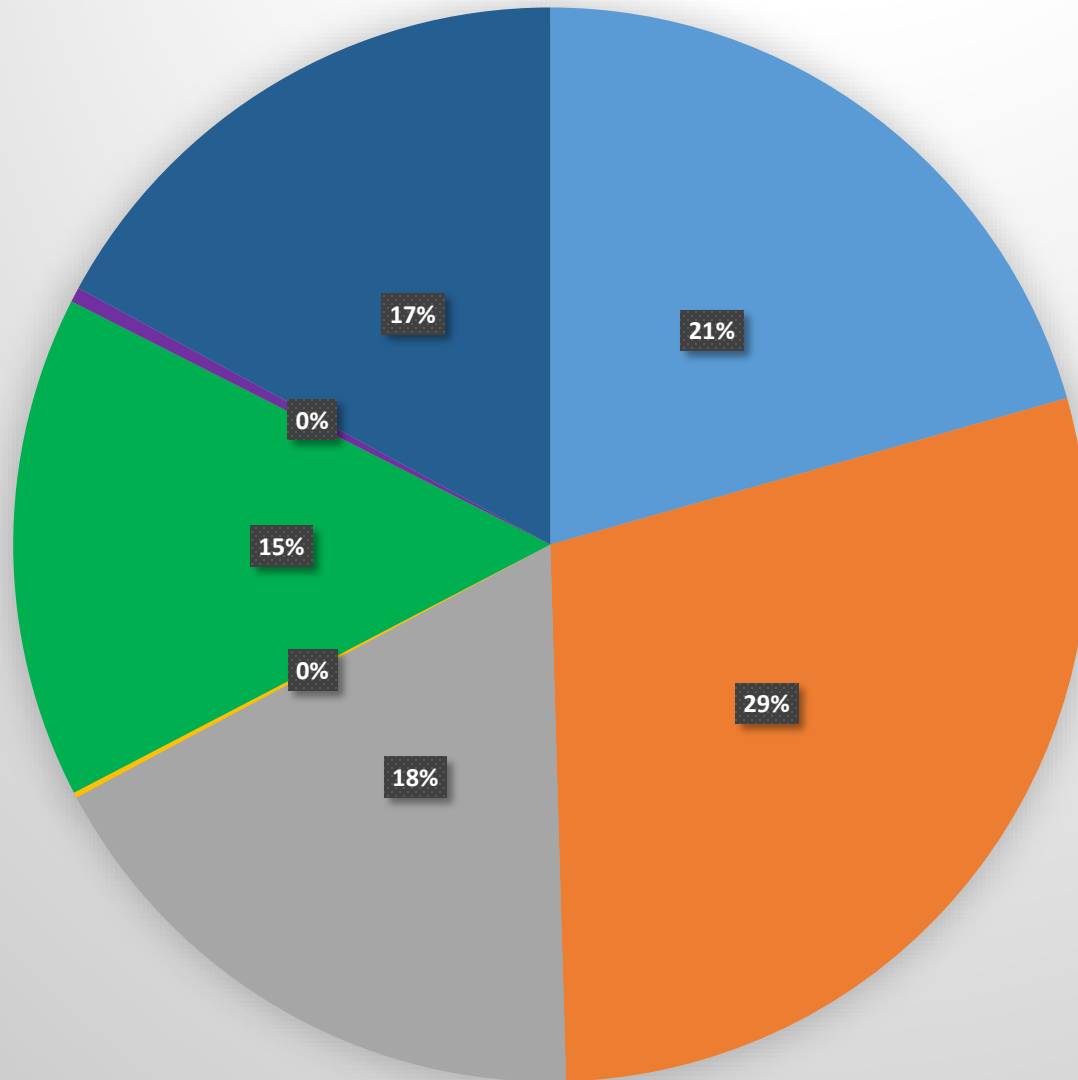
Will continue to utilize the Town's healthy surplus to help reduce the tax burden

Utilizing the Downtown TIF revenue to fund projects and programs outlined in the TIF Development Program

We will focus on planning for forthcoming capital projects and increasing capital reserves to have shovel ready projects with matching funds to take advantage of external funding opportunities



# FY23-24 Expenses



- General Government
- Public Safety
- Highways, Streets & Bridges
- Health & Welfare
- Leisure Services
- Cemeteries
- Debt/Capital/Contingency

# Impacts on Expenditures FY23 vs FY24

Item	Amount	Explanation
Wages/Social Security	\$357,249 Increase	8.7% COLA and progressive pay increases
Health Insurance	(\$29,500) Decrease	-2.62% premium decrease for January thru June 2024
Retirement	\$34,700 Increase	MPers-Employer match percentage increase (mandatory)
General Government	(\$166,098) Decrease	Change in chart of accounts: Opera House Auditorium is now a special revenue fund in Leisure Services. Wage increases and IT budget increases.
Public Safety	\$465,360 Increase	Payroll increases Police/Fire/EMS, addition of Community Liaison Officer, Bicycle Patrol, first full year of EMS First Responder Program
Highway, Streets & Bridges	\$193,203 Increase	Payroll increases, cost of materials & equipment required to do projects internally
Leisure Services	\$381,052	Addition of Opera House Auditorium special revenue fund. Payroll increases.
Debt/Capital/Contingency	\$35,135	Purchase of capital equipment

# Impacts on Revenues FY23 vs FY24

Item	Amount	Explanation
Revenue Sharing	\$195,000 Increase	First year of State Government sales tax revenue sharing restored in full.
Charges for Services: Income From Departments	\$75,100 Increase	Assessing Department revenue from contracts with Town of Rockport and City of Rockland.
Trust Fund Income	\$50,000	Used to fund the Community Liaison Officer in the Police Department (shared position with City of Rockland)
Reserve Withdrawals	\$165,000	Transfer of John Street project funding (ARPA) to Pearl Street project
Use of TIF Revenue	\$320,000	Off-set expenses identified in the TIF Development Program (Opera House, Public Landing & I&I investigation)

The background of the slide is the official seal of the Town of Dungeness. The seal is circular and features a central illustration of a harbor scene. In the foreground, a large three-masted sailing ship with white sails and a brown hull is on the water. To the right, there are several red wooden buildings on stilts. In the background, a green hill has a small black industrial building with a chimney. The sky is blue with a few white birds. The entire scene is framed by a thick yellow chain-link border. The words "TOWN OF DUNGENESS" are written in a dark blue, serif font around the top and sides of the seal, and the year "1891" is at the bottom.

# Employee Benefits

FY22-23

# Employee Benefits – Decision Making Authority

Article IX of the Camden Personnel Policy identifies insurance and retirement benefits offered to employees

Insurance and retirement benefits for Police Officers is negotiated as part of their collective bargaining agreement with the Town

The Select Board has the authority to review the level of employee contributions to health insurance and choose the Town's insurance carrier

# Impact on the Budget

<b>Benefit/Compensation</b>	<b>Cost in Dollars</b>	<b>% of Municipal Budget</b>
Health Insurance	\$1,095,100	9.9%
Retirement	\$395,900	3.58%
Wages/FICA/Medicare	\$4,387,100	39%

# Town of Camden Employee Benefits

- Health Insurance –Maine Municipal Employees Health Trust (MMEHT):
  - Full Time Eligible Employees hired before January 1 2007 receive 100% employer contribution toward coverage for them and their dependents (spouse and/or families)
  - Full Time Eligible Employees hired after January 1 2007 receive 100% employer contribution toward their coverage and an 80-100% employer contribution toward their dependents, depending on which plan they choose
  - Eligible Part Time Employees (those who regularly work at least 20 hours per week but less than 30 hours) can receive health insurance coverage through the Town at 100% the employee's expense

# Town of Camden Employee Benefits cont.

Group Life Insurance – Provided at no cost to the employee as part of the Town's Health Insurance

Retirement – Choice of contribution to Maine Public Employees Retirement System (MPERS) or International City Managers Association (ICMA):



# Town of Camden Employee Benefits cont.

Vision Insurance – offered through MMEHT – Premium paid 100% by employees

Dental Insurance – offered through MMEHT – Premium paid 100% by employees

Income Protection – offered through the Town – premium paid 100% by employees

AFLAC/Colonial Supplemental Insurance ( i.e. cancer and accident Insurance) premiums deducted through payroll at pre-tax rate and paid 100% by employees

# What is the Maine Municipal Employees Health Trust?

MMEHT is a non-profit, group self-funded trust

Structured as a multiple employer welfare arrangement (MEWA)

Regulated by the Maine Bureau of Insurance

## Benefits of Camden Being Part of MMEHT

- 75% of Camden's risk is pooled with the entire trust – Less risk of major rate increases
  - 1 major claim for a pool of less than 50 people would subject the Town to a much greater risk of a significant rate increase than being part of a pool containing 450 municipalities, counties, special districts, and non-profit organizations
- MMEHT has done an excellent job in keeping rate increases at a minimum despite a volatile health insurance market
  - Rate increases rarely exceed 10% for the cheaper plans and rarely exceed 5% for the more expensive plan

# Importance of Employee Benefits

- Benefits, particularly good Health Insurance, are incredibly important for retaining existing employees
- Camden's excellent employee benefits package has been the key to attracting and retaining highly skilled staff
- Maine is was already experiencing a labor shortage, which was compounded by the pandemic - we have more competition than ever for good employees and excellent benefits keep us competitive
- Has given the Town of Camden a reputation as a great employer that values its employees – something the Town should be proud of