

Council Workshop
Date: February 22nd, 2010

10-05wksp

Workshop started at 9:05PM

Councilors Present: Kenneth Murchison, Karla Bell, David Martin, Mary Kate Barbosa, John Boone, Chris Bell

Councilor Goughan left the meeting without explanation

Manager Buck submitted a listing of all Expense amendments that have been considered by the City Council to date. The listing was reviewed with a general consensus to retain most items with the exception of the proposed closure of the Public Pool for the summer. Further discussion indicated that closure of the Nylander Museum was also not an option the Council wished to consider short of absolute necessity. The tentative Expense adjustments accounted for a reduction of \$333,100, including the CIP adjustments as adopted on February 22nd. Removal of the Outdoor Pool will reduce this adjustment to \$300,345. All Expense adjustments were considered to be taken under advisement.

The Manager then reviewed a listing of potential Revenue amendments as compared to the original estimates currently within the Budget Book. Time was dedicated to reviewing potential Revenue amendments. The focus was on the large six non-property tax revenues. Excise tax was reviewed and no adjustments were anticipated. The Manager reviewed a 10 year historical averages for State Revenue Sharing collections by month. Having only a two month perspective for the year to date, the budget amount was manipulated to agree with the two months of actual collections as a percentage compared to the 10 year average collection. This produced an adjusted estimate of \$1,200,000, an increase of \$180,000 as compared to the original budget amount.

Owner dividends due from Tri-Community Landfill were then discussed. Due to a change in capacity from the Phase III Projects, previously dedicated reserves have now been credited as undesignated Board assets that may be returned to the three owner Communities as so determined by the Board of Directors. Caribou's share of these reserves is anticipated to be \$510,000, an increase of \$351,000 as compared to last years dividends from TCL. The Council discussed the use of all or a part of the Reserves taken on the Revenue portion of the Budget or to use it to pay down the Gymnasium debt service. The Manager is to review and report back to the Council for the next Workshop.

Code Enforcement building permits are pending an adjustment to \$5.00 per thousand as opposed to the current \$4.00 per thousand for all accounts over \$10,000 in building value. The rough estimate was a \$2,000 gain, a reviewed estimate will be prepared for the next session.

Fire Revenues will be kept the same for this year as per the formulation used. Miscellaneous interest adjustments will depend upon whether the City uses reserves to pay off the debt service earlier, thereby reducing investments. The Ambulance revenues were examined and a greater comfort level of restoring the Super Rural reimbursement levels under Medicare was indicated as the re-authorization is now under a Jobs Creation Bill as opposed to the prior Health Care Reform Bill. No adjustment was made to the Ryder A reimbursement under MaineCare as no answers as to the restoration of this payment by the State could be obtained. There was a general discussion of the Chief's observations that Ambulance run

volumes will increase by an estimated 150 runs for the year. The Manager had not put this full adjustment in the Budget Master for ambulance revenue as it would consume a day's worth of resources to perfect. Using averages, the net impact to cash, Gross receipts less Bad Debt and Contractual Allowances, would net the City an estimated \$135,000. The Manager added this tentative amount to the Other city Revenues line on the Budget Ad summary sheets to observe the mil rate impacts.

The Council then reviewed three Budget summary sheets indicating the results of these adjustments. The focus was on the Budget Ad sheet and the impacts. If all pending adjustments were implemented listed above, the resulting municipal mil rate impact would be 11.49, an increase of 0.21 mils. The resulting municipal mil rate with debt services would be 12.17, an increase of 0.16 mils. Combined County and Municipal is not yet known as the County has not yet reported their assessments.

The Council discussed holding on all of these pending adjustments pending an next work session to be scheduled for March 3rd, 2010 with the City Department Managers. The Council will discuss these and other budget adjustments with the Departments and fiscal impacts against the levels of services and people effected by any potential adjustments moving forward.

Steven R. Buck