

# County of Cumberland



**Peter J. Crichton**  
*County Manager*

**James H. Gailey**  
*Assistant County Manager*

## **Process Memo:**

### **Cumberland County – Proposed Budget 2017**

Cumberland County has a January to December general fund budget year. The County's jail and Cross Insurance Arena are both on a July to June fiscal year. Annually, County staff begins to work on the upcoming year's budget in June through a series of meetings between the County Administrative Team and Department Heads in anticipation of presenting the proposed budget to the County Commissioners in August/September. Once accepted by the Commissioners, the Commissioners remand the proposed budget to the Budget Advisory Committee for review and recommendation.

State Law Title 30-A, Chapter 3 §741-A requires the Cumberland County Commissioners establish a Budget Advisory Committee. Selection of committee members is by individual commissioners holding district caucuses. A total number of nine committee members, who are elected officials in their respected towns/cities, serve on the Advisory Committee. Committee members serve for a 3-year term. There is no compensation for Budget Advisory Committee members. All meetings are conducted in public, minutes and votes recorded and the meetings are taped.

The Cumberland County Charter outlines the responsibility of the Budget Advisory Committee in Section 5.4. The Budget Advisory Committee works through a series of meetings in which County staff presents the budget and seeks questions and input from the Advisory Committee members. Ultimately in November of each year the Advisory Committee votes to recommend a budget to the County Commissioners. A meeting typically held in December, County Commissioners take up the recommended county budget and take action on the recommended budget.

The following documents outline the process that has taken place in 2016 by the Budget Advisory Committee. The documents include agendas, minutes, questions/answers sheets and documents providing additional analysis requested by Advisory Committee members.



**CUMBERLAND COUNTY FINANCE  
COMMITTEE MEETING**

**Peter J. Feeney Conference Room  
Cumberland County Courthouse  
142 Federal Street, Portland, Maine**

**Workshop to discuss FY17 Preliminary Budget**

**Thursday, November 10, 2016**

**8:30 AM**

**Welcome by Co-chairs**

**Approval of Minutes of last meeting**

**Comments by County Manager**

**Budget Discussion**

**Action on Budget**

*Maine*  
Cumberland **County**

**CUMBERLAND COUNTY FINANCE  
COMMITTEE MEETING**

**Peter J. Feeney Conference Room  
Cumberland County Courthouse  
142 Federal Street, Portland, Maine**

**FY17 Organizational &  
Preliminary Budget Meeting**

**Thursday, October 27, 2016**

**5:30 PM**

- I. Welcome – Commissioner Sue Witonis
- II. Introductions
- III. Election of Officers
  - a. Chair
  - b. Vice Chair
- IV. Presentation by the County Manager of the FY17 Commissioners Preliminary Budget
- V. Discussion on how to proceed
- VI. Adjourn

*Maine*  
**Cumberland County**

**CUMBERLAND COUNTY FINANCE COMMITTEE MEETING**

**MINUTES**

**October 27, 2016**

**CALL TO ORDER – 6:00 p.m.**

The Finance Committee convened this meeting at 6:00 PM in the Peter J. Feeney Room, 142 Federal Street, Portland, ME. In attendance were co-chairs Shawn Babine and Holly Hancock, Commissioner Sue Witonis, County Manager Peter Crichton, Assistant County Manager Jim Gailey, and Alex Kimball, Finance Director/Treasurer.

**NEW BUSINESS**

Alex Kimball provided the committee the latest financial report.

Shawn Babine spoke about legislatively removing the Finance Committee or making a change from elected municipal officials. Mr. Babine would like to give us a booklet on Finances.

Mr. Babine requested the following information:

Why the tax stabilization fund is not being used?

What are the essential services that Cumberland County Government must provide?

What is the contingency plan for funding challenges in the future? Such as no COLA in the future.

Discussions on how the County is balancing out the costs and benefits to municipalities by contracting out services to the different areas of the County.

**AGENDA PLANNING**

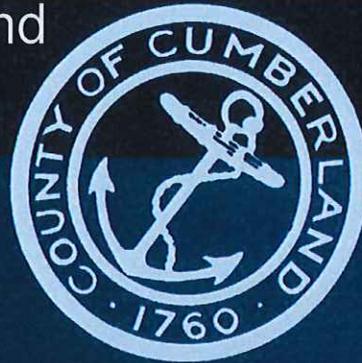
The next meeting will be held November 1 and/or November 10 based on people's schedule.

**ADJOURN**

**Adjourned at 7:01 p.m.**

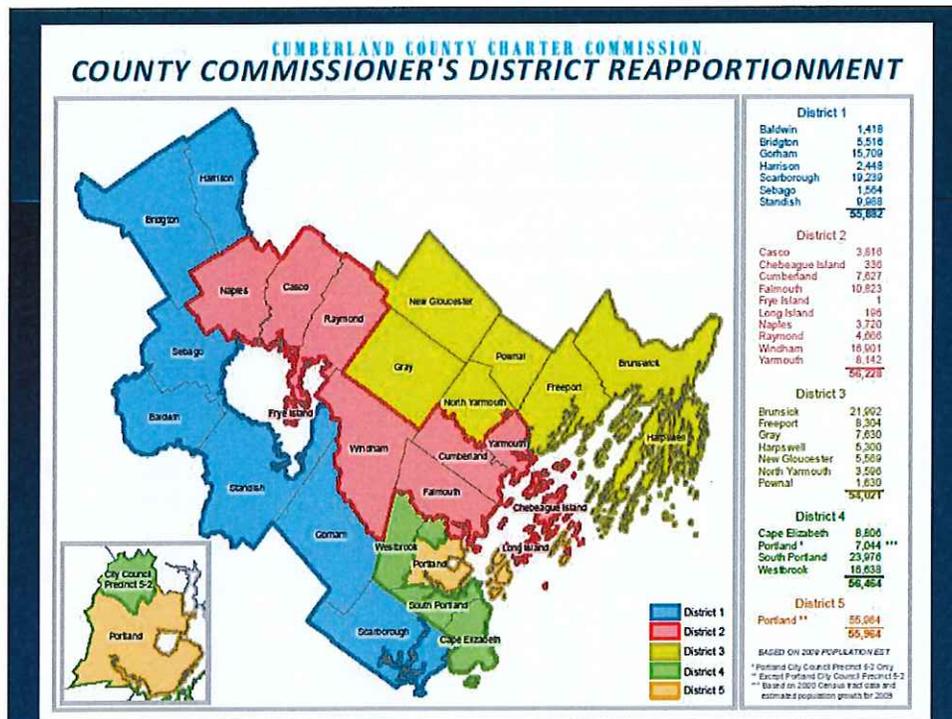
# County of Cumberland

142 Federal Street  
 Portland, Maine 04101  
[www.cumberlandcounty.org](http://www.cumberlandcounty.org)



## 2017 Commissioner's Preliminary Budget

10-27-2016



## County of Cumberland

Strongly committed to the principles of  
Excellence, Efficient Government, and  
Community Involvement.

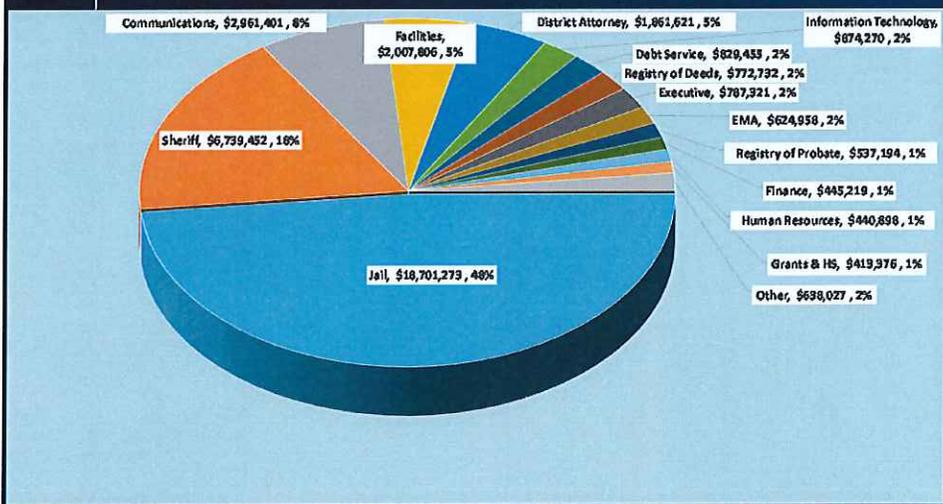
## County of Cumberland Departments

- Executive
- Regional Assessing
- Human Resources
- Information Technology
- Facilities
- District Attorney
- Sheriff
  - Patrol
  - Corrections (BOC)
  - Civil Process
- Registry of Deeds
- Registry of Probate
- Emergency Management Agency
- Emergency Communications
- Finance
- Community Development

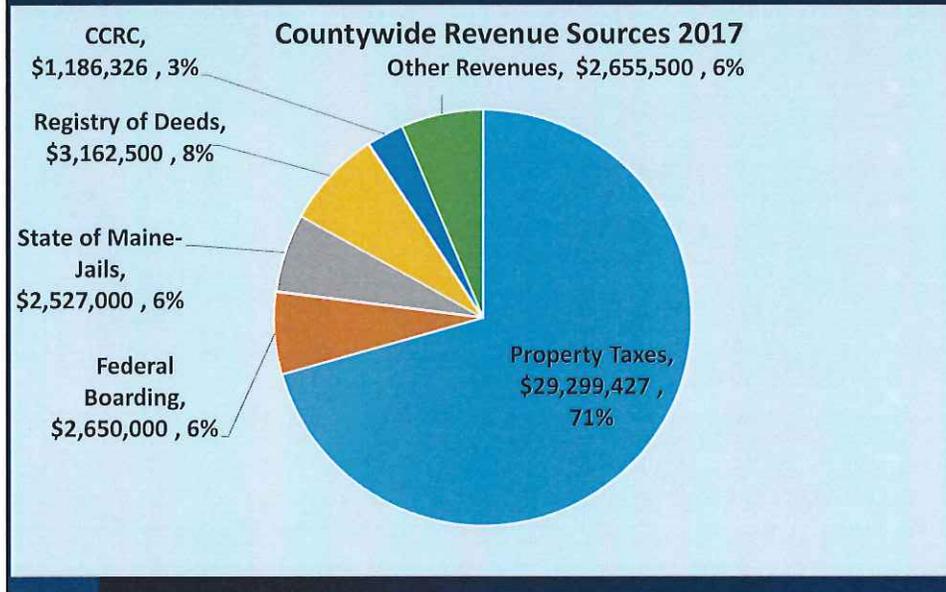
# County of Cumberland Examples of Regional Services

- Emergency Management
- Deeds and Probate
- Law Enforcement and Cumberland County Jail
- E911/Communications Dispatch
- Community Development Block Grant
- County Hazmat Response Teams
- Cross Insurance Arena
- Regional Assessing
- And more.....

# County of Cumberland FY 17 Recommendation Departments Percent of the Overall Budget



## Countywide Revenues 2017



## County of Cumberland Proposed FY 17 Overview

<u>Description</u>	<u>FY16</u>	<u>FY17</u>	<u>Change</u>	<u>Tax %</u>
County Expenses	\$18,851,938	\$19,933,730	\$1,081,972	<i>EXP 5.8%</i>
Jail Expenses	\$18,089,065	\$18,701,273	\$612,208	<i>EXP 3.0%</i>
Revenues	(\$12,251,379)	(\$12,181,326)	\$70,053	<i>REV -6%</i>
<u>Net County Cost</u>	<u>\$24,689,624</u>	<u>\$26,453,677</u>	<u>\$1,764,053</u>	<i>INC 7.2%</i>
CIA	\$2,954,900	\$2,845,750	(\$109,150)	<i>EXP -3.7%</i>
<u>Taxes Required</u>	<u>\$27,644,524</u>	<u>\$29,299,427</u>	<u>\$1,654,904</u>	<b>Tax 5.99%</b>
Enterprise Funds				
Grants	\$2,539,711	\$2,539,711		
Total	\$1,900,991	\$1,900,991		
Expenditures	\$44,081,776	\$45,921,455		

## County of Cumberland The work thus far

<u>Description</u>	<u>Original Request</u>	<u>Manager Adj</u>	<u>Change</u>
County Expenses	\$20,139,300	\$19,933,730	(\$205,570)
County Revenues	\$6,205,118	\$6,205,118	\$0
<u>Net County Cost</u>	<u>\$13,934,182</u>	<u>\$13,728,612</u>	<u>(\$205,570)</u>
Jail Expenses	\$18,870,763	\$18,701,273	(\$169,490)
Jail Revenues	\$5,323,232	\$5,976,208	(\$652,976)
<u>Net Jail Expenses</u>	<u>\$13,547,531</u>	<u>\$13,024,324</u>	<u>(\$822,466)</u>
Net Overall Taxes	\$27,481,713	\$26,453,677	(\$1,028,036)
% Increase from 2016	10.11%	7.2%	(2.91%)

## County of Cumberland Jail Funding Issues

<u>Description</u>	<u>Original Budget</u>	<u>Modified Budget</u>	<u>Change</u>
State Funding	\$2,412,024	\$2,527,000	\$114,967
Fed, DOC & INS Boarding	\$2,875,000	\$2,875,000	\$0
Other Revenues	\$36,208	\$36,208	\$0
<u>Other County Revenues</u>	<u>\$1,300,860</u>	<u>\$538,000</u>	<u>(\$762,860)</u>
Total Revenues	\$6,624,092	\$5,976,208	(\$647,893)
<u>Expenses</u>	<u>\$18,870,763</u>	<u>\$18,701,273</u>	<u>(\$169,490)</u>
Taxes Required	\$12,280,556	\$12,725,065	\$444,509
Increase from Prior Year	\$357,686	\$802,195	\$444,509

## FY17 Expenses-\$1,081,793

### Pay & Benefits- Gen Fund

- 2% COLA for Employees- \$183,924
- Health Insurance projection at 13%-\$183,618
- MSRS increase of 7%- \$55,839
- Workers Comp Increase- \$48,731
- Accrued Comp Fund full funding- \$75,700
- Total Pay & Benefits \$547,812

## FY17 Expenses (continued)

### New & Altered Positions

- 2 LEC Deputies for shift relief (Net) \$74,420
- 1 Deferred Disposition Coordinator \$55,000
- Change Wellness Contract to FTE \$25,750
- Admin moved from Deeds to Assessing - **-57,546**
- Total Position Changes- \$97,624

## FY17 Expenses (continued)

### Other increases

■ 1 additional vehicle for new Deputies	\$65,200
■ Non Debt CIP Additions	\$41,750
Jail Window replacements and interview room cameras	
■ TAN Interest and Fees	\$43,500
■ Increased Vehicle Costs	\$18,000
■ All other additions	\$267,907
■ Total Other	\$436,357

## FY 17 Revenues

- Small increases in a variety of General Fund revenues total \$119,934
- Jail loses **\$418,250** in other county revenues compared to FY 15-16 budget
- Jail gains \$200,000 in Federal Revenues, and \$28,263 in state and other revenues
- Decrease in Revenues of **\$190,024**

## Annual Homeowner Tax Bill

### County Portion

FY16 Budget @ \$200,000 of value =  
\$121.01

FY17 Budget @ \$200,000 of value =  
\$129.65

Increase of \$8.64 per year

## Cross Insurance Arena

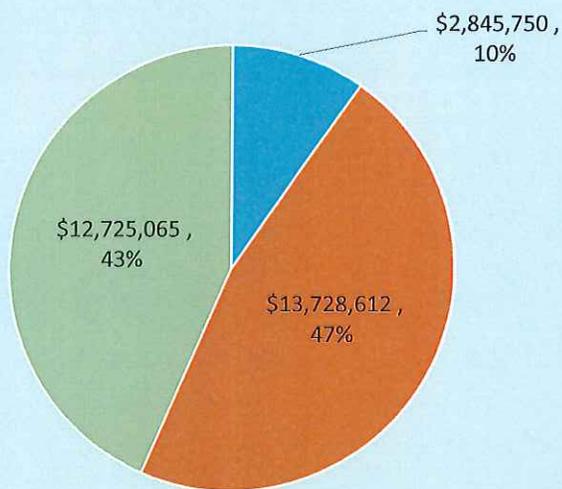
BUDGET REQUEST FOR 2017

## Cross Insurance Arena Change from year to year

<u>Description</u>	<u>FY16</u>	<u>FY17</u>	<u>Change</u>
2012 Bond Debt Service	\$1,974,500	\$2,054,500	\$80,000
Operational Subsidy	\$530,000	\$200,000	(\$330,000)
Capital Debt Service	\$450,400	\$591,250	\$140,850
<b>Total CIA</b>	<b>\$2,954,500</b>	<b>\$2,845,750</b>	<b>(\$109,150)</b>
Amount for \$200,00 home	\$14.48	\$13.95	(\$.53)

**CIA offsets .39% of overall 5.99% increase**

Percentage of Property Taxes



■ CIA ■ General County ■ Jail

## Overall Homeowner Tax Bill

FY16 Budget @ \$200,000 of value = \$135.49

FY17 Budget @ \$200,000 of value = \$143.60

Increase of \$8.11 per year

Increase for the County is \$8.65 (6.38%)

Decrease for the CIA is (\$.54) (-.39%)

## Thank You!

- Thank you for listening to this presentation. If you have questions, the 2017 Commissioners Preliminary Budget is on our website at [www.cumberlandcounty.org/finance](http://www.cumberlandcounty.org/finance).
- You may address questions to [crichton@cumberlandcounty.org](mailto:crichton@cumberlandcounty.org) or call 207-871-8380.

## Questions Asked Between Budget Advisory Committee Meetings:

### Holly Questions:

53% increase in TAN: has a switch to fiscal year been considered, or municipalities making multiple payments rather than single,

A change in the fiscal year has been considered in the past, but it did not seem necessary when the cost of the TAN was smaller. Now that the cost of the TAN is more significant, I will be recommending to the Commissioners that we review the cost and benefits of switching our fiscal year to July.

DA's budget: job description for Diversion Clerk, is this person managing deferred disposition?

A few years ago the DA's Office added a position to manage the deferred disposition cases. This has been very successful to the point that we now have over 800 cases annually. It has also generated around \$120,000 annually in non-tax revenues and is diverting over 250 inmates from the jail, which has helped us to avoid costs that average more than \$100 per inmate per day. The Diversion Clerk will enable our Coordinator of Rehab & Diversion Program to focus more on her job as the case manager, with the Diversion Clerk processing more of the cases.

No Manager's recommendation for Professional Services and a reduction in the request for Dues?

Are you referring to the Executive Department Budget? I am not sure which budget you are referring to because with the Executive Department I am recommending a slight increase in the Professional Services for the cost of arbitrations and dispute resolutions. I am also recommending that the dues remain flat.

LE budget: addition of two Community Relations Officers, where will they be deployed and will these costs be billed to that entity

The Sheriff has requested two new patrol deputies be added because of the population growth in the coverage area, as well as the cost of overtime that has resulted from not having enough deputies. The cost of the two deputies is about \$75,000 each for a total of \$150,000. This has been offset by a reduction of \$75,000 in the overtime account for a net increase of \$75,000.

Jail budget: has closing a pod equaled a reduction in staff and associated payroll expenses?

Yes, we have saved money by closing a half-pod -- our second half-pod closure in the last five years. Because we did this after the beginning of the Jail's fiscal year which began on July 1st, the pro-rated savings are about \$240,000 for the 2016-2017 jail budget.

Executive budget: Where is overtime used?

The overtime in the Executive Budget is utilized for the additional hours that the Executive Assistant is working to attend Commissioner Meetings as the Deputy Clerk, as well as to attend meetings of our Cumberland County Board of Assessment Review. As background, with the 2015 budget we combined two separate positions into one by combining the Public Relations Assistant Position with the Executive Assistant, so there is at times more work to do. Additionally, the overtime comes out of this budget for the employees who tape the Commissioner meetings that are aired on CTN.

IT budget: No expense yet in GIS support; is this billed to the municipalities or part of the county budget?

The GIS funding is part of a federal-state-county partnership to cover the costs of doing a fly over of the county that will occur in 2017. This is the second in a series of flyovers during the past few years. It provides the municipalities of the county with basic GIS information in collaboration with GPCOG, which the municipalities can then choose to buy up if they want more detailed data. It has been very well received by the town and city managers.

Is the bulk of the increase in Maintenance for the Spillman module or for all contracts?

Yes, it is for an upgrade to the Spillman system. From your involvement on the CCRCC Board, you know how reliant we are on Spillman for the CCRCC and the Jail operations.

Facilities budget: Where is the leased office space and for what is it being used?

The leased office space is for the Registry of Deeds with an area for the Regional Assessing program. I can provide you with more background information if you would like.

**Follow up Question (from Holly):**

No Manager's recommendation for Professional Services and a reduction in the request for Dues?

This was intended as a second question for the DA's budget.

I would also like some clarification on the leased space in the Facilities budget. Is this space leased from a private landlord or leased from one county entity to another? Where is the leased space located and is this the most cost effective way to house services?

Looking forward to our meeting on Thursday morning.

Holly

**Response:**

Alex Kimball: Ahh. Sorry, I missed the point of your earlier question on the DA Budget Holly. The professional services one is my fault.

This is actually just a shifting of dollars from one area to the other. Many years ago, the DA's office received a grant to use a Detective from the Sherrif's office to work on Domestic Violence cases exclusively. The idea was for the detective to be embedded in the DA's office working closely with the ADA's, victim assistants and trial assistants to see these very tricky and often time sensitive cases through to the end. It worked great, and is why this position still exists in the same manner today.

However, things were set up differently because it was a grant, and because this was a CCSO employee that just happened to be located in the DA's office. So they set up her pay and benefits in a separate fund, and then charged the grant accordingly. The grant ran out a bunch of years ago, and because the program was so successful, the cost was incorporated into the DA's budget. Instead of moving this persons pay and benefits directly into the departmental pay structure, they kept the separate fund and charged the cost to Professional Services.

I've struggled with this arrangement since day one, because it means we are calling an employee a service, and because the journal entry to move the expense occurs all at once at the end of the year, skewing monthly financials. This arrangement remained in effect because some were under the impression that moving the location of the expenses would somehow alter the reporting structure for the Detective, who actually reports to the Sherriff's office. This year I was able to convince the department that this was purely an accounting move and move the pay and benefit expenses into the proper line items.

So long way of saying: "Just an accounting move, actually expense neutral". Hope this helps.

**Response:**

Peter Crichton: Alex has answered your question regarding the DA's Professional Services change that was made. I would only add that this was discussed with the DA Stephanie Anderson during the review of her budget and, as Alex indicated, she is supportive of this change.

With regard to the dues reduction, the DA's Office participates in a statewide cooperative effort with the other DA's Offices to share data and the dues are \$5,000 less than had been budgeted.

On the subject of the leased space for the Registry of Deeds, this is with a private landlord. The move of the Registry of Deeds to 25 Pearl Street (a couple of blocks away from the Courthouse) was done as the result of a long term identified space need for the District Attorney's Office.

The funds to do the lease came from a portion of the retired jail debt in 2008, with the move to 25 Pearl Street occurring in 2009. In terms of the future, an addition to the Courthouse is an option.

**Email 11/8/2016 to BAC from Peter:**

Dear Holly and Shawn,

Prior to the Finance Committee meeting this Thursday, I would like to update you on a couple of new developments. One is a change in the jail budget that does not have a fiscal impact on the county tax, but is nevertheless an important change. Two is an adjustment to the warrant from the Cross Insurance Arena that we now understand will be \$75,000 higher than what we had estimated and would impact the county tax increase.

**Jail Issue**

In a nutshell, the jail issue is about the creation of the Maine Board of Corrections in 2008 and then the elimination of it a couple of years ago. As background, when the BOC legislation was approved in 2008 we along with the other counties in Maine were encouraged by the Maine Department of Corrections to set up our jail budgets as though the jails were separate entities from the counties. We did that.

As a result, in our case we shifted around \$1 million in facilities costs from the county's general fund budget into the jail budget. That approach was fine when the BOC was in place

and we were receiving state funding for our increased costs, with a frozen cap on our municipal assessment for the jail.

But when the BOC was eliminated two years ago and a jail cap of 3% was installed to put a ceiling on the counties ability to tax the municipalities, it was only a matter of time before the facilities costs that had been moved into the jail budget would create a problem with our jail budget and that of other counties. And with the 3% cap on our jail increase -- particularly with our drop in jail revenues by losing the Oxford County inmates -- we are currently \$440,000 over the 3% jail cap.

Therefore, I have recommended to the Commissioners that the 6 facilities staff at the jail totaling \$350,000 in compensation together with \$100,000 in capital funds be shifted back to the county's general fund in order to meet the 3% jail cap. I want to emphasize that this does not impact the bottom line of the overall county tax increase. However, this is obviously a significant enough issue that the Commissioners and staff wanted to bring this new development to your attention.

#### *Cross Insurance Arena Warrant*

The other new development that may in fact have a potential impact on the overall county tax increase is that the warrant from the Cross Insurance Arena may actually be \$75,000 higher than anticipated. As the Finance Committee members are aware, under the statute that created the Cumberland County Civic Center the County may receive a warrant for any deficit that the Cross Insurance Arena may experience, as well as debt service from the modernization of the Cross Insurance Arena and capital improvements that the Arena does not have sufficient funding to cover the expense.

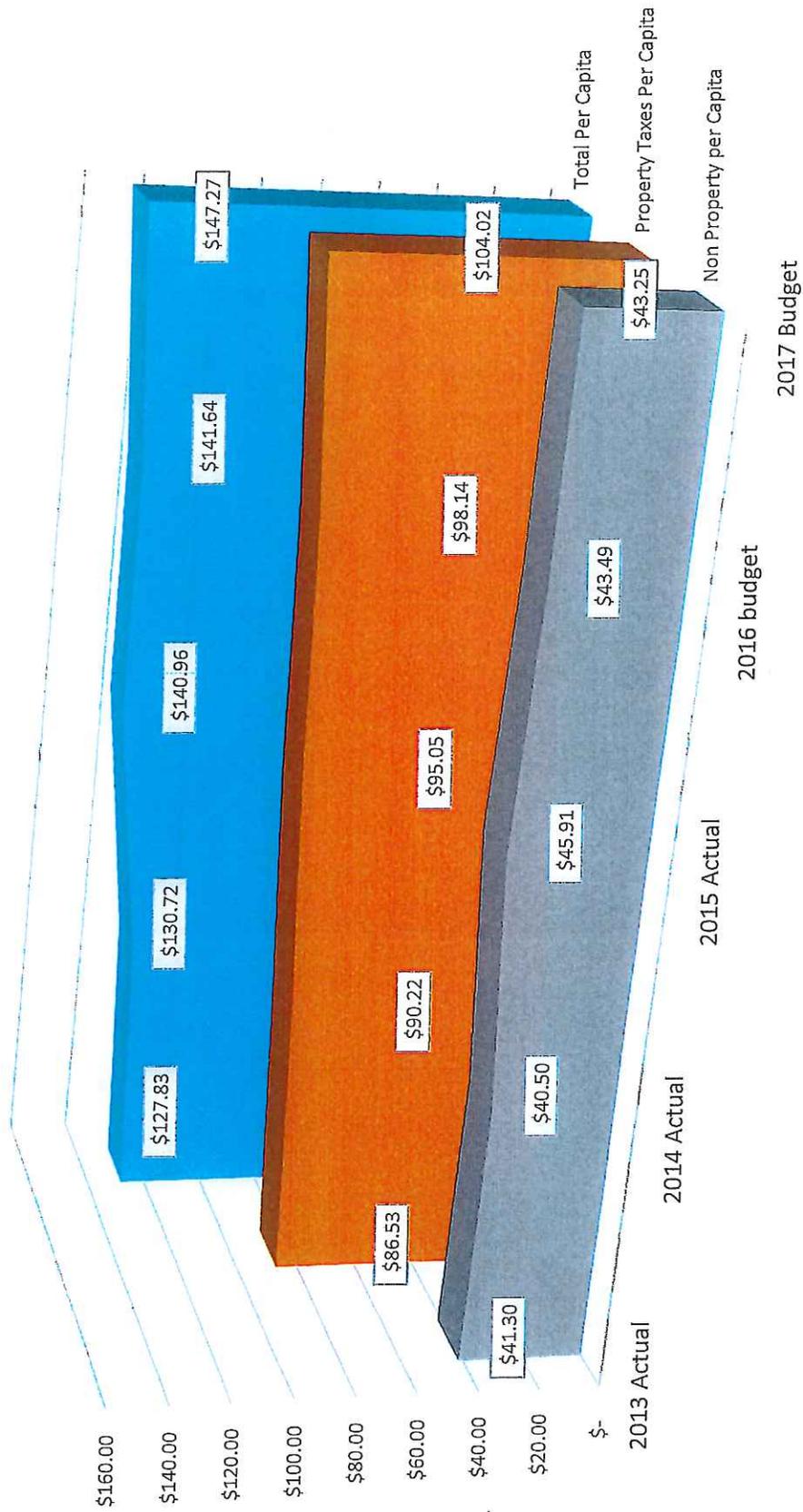
In closing, please feel free to contact me prior to the Finance Committee meeting on Thursday should you have any questions. I'll look forward to seeing you at the meeting.

Sincerely,

Peter

	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Actual	2016 budget	2017 Budget
Total Revenues	\$ 36,006,581	\$ 36,820,657	\$ 39,704,508	\$ 39,895,902	\$ 41,480,753		
Property Taxes	\$ 24,372,993	\$ 25,413,304	\$ 26,773,596	\$ 27,644,523	\$ 29,299,427		
Non Property Tax Revenues	\$ 11,633,588	\$ 11,407,353	\$ 12,930,912	\$ 12,251,379	\$ 12,181,326		
Total Per Capita	\$ 127.83	\$ 130.72	\$ 140.96	\$ 141.64	\$ 147.27		
Property Taxes Per Capita	\$ 86.53	\$ 90.22	\$ 95.05	\$ 98.14	\$ 104.02		
Non Property per Capita	\$ 41.30	\$ 40.50	\$ 45.91	\$ 43.49	\$ 43.25		
Total General Fund Expenses	\$ 35,574,833	\$ 37,209,163	\$ 39,444,748	\$ 39,895,902	\$ 41,480,753		
Total Per Capita	\$ 126.30	\$ 132.10	\$ 140.04	\$ 141.64	\$ 147.27		
Jail Expenses	\$ 17,617,276	\$ 17,683,787	\$ 18,614,650	\$ 18,089,065	\$ 18,701,273		
Jail Per Capita	\$ 62.54	\$ 62.78	\$ 66.09	\$ 64.22	\$ 66.39		
Law Enforcement	\$ 5,690,288	\$ 5,824,390	\$ 6,123,259	\$ 6,374,307	\$ 6,739,452		
CCRC	\$ 2,503,628	\$ 2,621,818	\$ 2,716,677	\$ 2,832,239	\$ 2,961,401		
Cross Insurance Arena	\$ 2,064,764	\$ 2,334,050	\$ 2,717,355	\$ 2,954,900	\$ 2,845,750		
County Debt Service	\$ 149,069	\$ 475,516	\$ 754,071	\$ 751,593	\$ 736,955		
All other Expenses	\$ 7,549,808	\$ 8,269,602	\$ 8,518,736	\$ 8,893,798	\$ 9,495,922		
Law Enforcement	\$ 20.20	\$ 20.68	\$ 21.74	\$ 22.63	\$ 23.93		
CCRC	\$ 8.89	\$ 9.31	\$ 9.64	\$ 10.06	\$ 10.51		
CIA	\$ 7.33	\$ 8.29	\$ 9.65	\$ 10.49	\$ 10.10		
County Debt Service	\$ 0.53	\$ 1.69	\$ 2.68	\$ 2.67	\$ 2.62		
All Others	\$ 26.80	\$ 29.36	\$ 30.24	\$ 31.57	\$ 33.71		
Salary & Benefit Expenses	\$ 24,415,773	\$ 25,320,539	\$ 26,904,570	\$ 26,143,358	\$ 26,903,412		
All Other Expenses	\$ 11,514,584	\$ 11,828,336	\$ 12,658,924	\$ 13,752,544	\$ 14,577,341		
S&B % of Overall Expenses	69%	68%	68%	66%	65%		
Bonded Debt	\$ 1,360,000	\$ 37,220,000	\$ 36,320,000	\$ 37,310,000	\$ 34,440,000	\$ 32,204,600	
Total Valuation	\$ 40,729,950,000	\$ 39,497,000,000	\$ 38,690,850,000	\$ 39,379,600,000	\$ 40,806,800,000	\$ 40,806,800,000	
Bonded Debt/Valuation	0.003%	0.094%	0.094%	0.097%	0.084%	0.079%	
Bonded Debt/Population	\$ 4.83	\$ 132.14	\$ 128.94	\$ 132.46	\$ 127.52	\$ 122.27	\$ 114.33
Annual Principal Payments	\$ 985,301	\$ 1,352,581	\$ 1,515,301	\$ 1,957,400	\$ 2,235,400		

# Revenues per Capita 2013-17

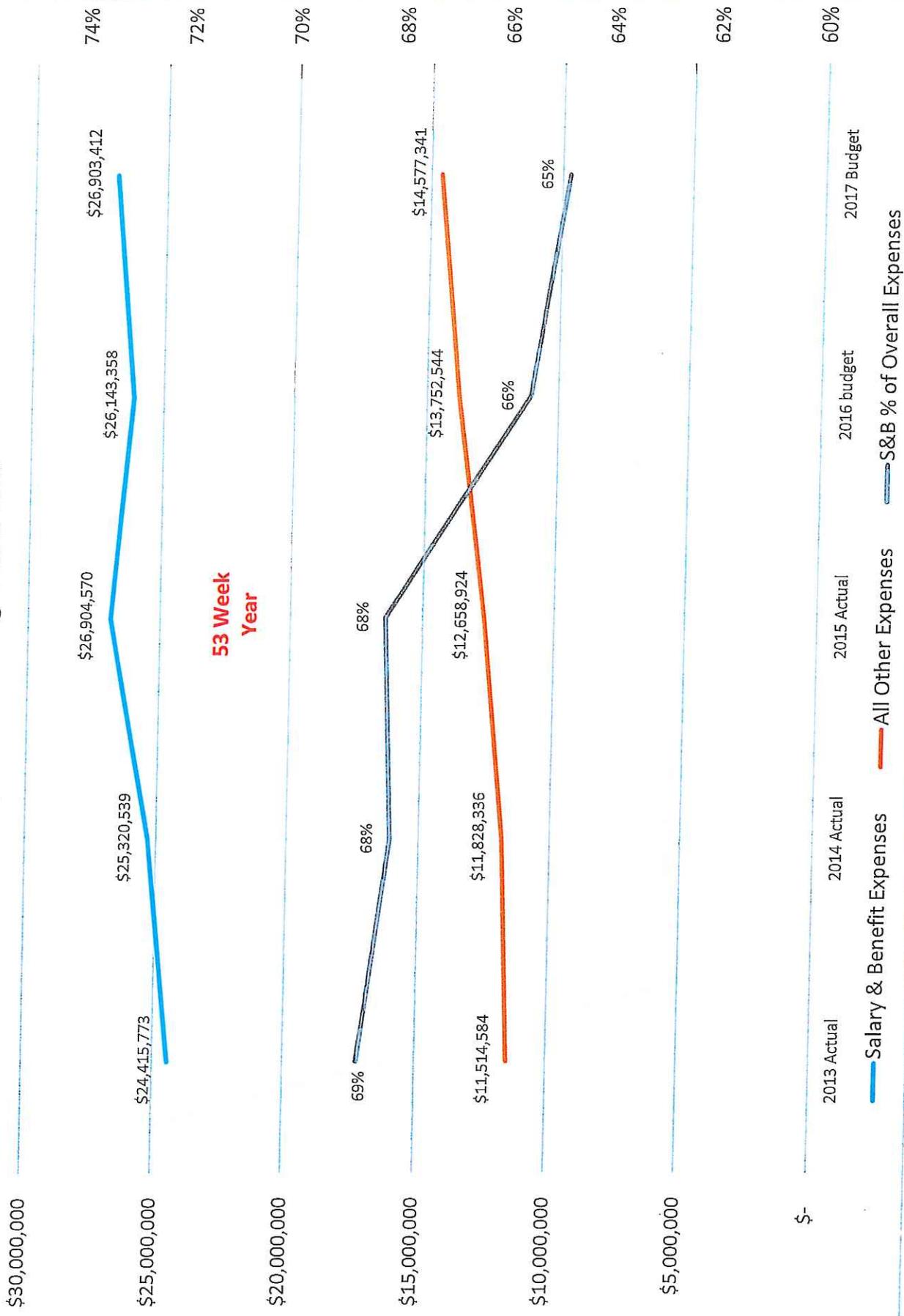


■ Non Property per Capita    
 ■ Property Taxes Per Capita    
 ■ Total Per Capita

# Expenses per capita 2013-17



# Salary & Benefit Changes 2013-2017



2013 Actual      2014 Actual      2015 Actual      2016 budget      2017 Budget

— Salary & Benefit Expenses      — All Other Expenses      — S&B % of Overall Expenses

# Bonded Debt 2011-17

