

APPENDIX TO THE FY 2018 PROPOSED BUDGET

South Portland Budget Process

South Portland Budget History

Municipal Property Tax Levy Limit

School Department Budget

Cumberland County Budget Summary

Glossary of Terms

[Sec.] 502. Preparation and submission of budget.

The city manager, not later than the third Monday in October of 1978, shall submit to the council a municipal budget only (minus school expenses) for the interim six-month fiscal year and an explanatory budget message in the form and with contents provided by sections 513 through 516. Thereafter, the city manager shall, not later than the third Monday in March, submit to the council a budget and an explanatory budget message in the form and with contents provided by sections 513 through 516. For such purpose, at such date as he shall determine, he, or an officer designated by him, shall obtain from the head of each office, department or agency estimates of revenue and expenditure of that office, department or agency, detailed by organization units, and character and object of expenditure, and such other supporting data as he may request; together with an estimate of all capital projects pending or which such department head believes should be undertaken (a) within the budget year and (b) within the 6 next succeeding years. In preparing the budget, the city manager shall review the estimates, and may revise them as he may deem advisable.

(Ref. of 6-13-78)

[Sec.] 503. Budget a public record.

The budget and budget message and all supporting schedules shall be a public record in the office of the city clerk open, to public inspection by anyone. The city manager shall cause sufficient copies of the budget and budget message or summary thereof to be prepared for distribution to interested persons at least 7 days prior to the public hearing provided for by section 505.

[Sec.] 504. Publication of notice of public hearing.

At the meeting of the council at which the budget and budget message are submitted, the council shall determine the place and time of the public hearing on the budget, and shall cause to be published a notice of the place and time, not less than 7 days after date of publication but during the month of April of the current budget year at which the council will hold a public hearing.

(Ref. of 6-13-78)

[Sec.] 505. Public hearing on budget.

At the time and place so advertised, or at any time and place to which such public hearing shall from time to time be adjourned, the council shall hold a public hearing on the budget as submitted, at which all interested persons shall be given an opportunity to be heard, for or against the estimates or any item thereof.

[Sec.] 506. Further consideration of budget.

After the conclusion of such public hearing, the council may insert new items or may increase or decrease the items of the budget, except items in proposed expenditures fixed by law or prescribed by sections 525.7 to 525.8. The council may not vary the titles, descriptions or conditions of administration specified in the budget.

[Sec.] 507. Increase of budget.

If the council inserts additional items, or makes increases, which increase the total proposed expenditures, it shall also increase the total anticipated revenue to at least equal such total proposed expenditures.

[Sec.] 508. Adoption of budget; vote required.

The budget shall be adopted by the favorable votes of at least a majority of all the members of the council.

[Sec.] 509. Date of final adoption; failure to adopt; provision for expenditures until adopted.

The budget shall be finally adopted not later than 90 days after the beginning of the fiscal year. Should the council take no final action on or prior to such date, the budget, as submitted, shall be deemed to have been finally adopted by the council. Before the budget has been adopted, the city council may make appropriation for current departmental expenses chargeable to the budget for the year, when passed, to an amount sufficient to cover the necessary expenses of the various departments until the annual budget is in force.

(P.&S.L. 1967, Ch. 37, § 4)

[Sec.] 510. Effective date of budget; certification; copies made available.

Upon final adoption, the budget shall be in effect for the budget year. A copy of the budget, as finally adopted, shall be certified by the city manager and city clerk and filed in the office of the director of finance. The budget so certified shall be printed, mimeographed or otherwise reproduced and sufficient copies thereof shall be made available for the use of all offices, departments and agencies and for the use of interested persons and civic organizations.

[Sec.] 511. Budget establishes appropriations.

From the effective date of the budget, the several amounts stated therein as proposed expenditures shall be and become appropriated to the several objects and purposes therein named.

[Sec.] 512. Budget establishes amount to be raised by property tax; certificate to city assessor.

From the effective date of the budget, the amount stated therein as the amount to be raised by property tax shall constitute a determination of the amount of the levy for the purposes of the city, in the corresponding tax year. In accordance with Maine Constitution Art. 1, §22 and Art. 8, Pt. 2, §1, the amount of revenue to be raised by property taxation shall be determined by the City Council, acting as the municipal officers. The sole limitation on the authority of the City Council to determine the revenue to be raised by property taxation is the right of the residents of the City of South Portland, in a local municipal election in which only qualified electors of the City vote, to enact a minimum or maximum amount of revenue to be raised by property taxation by the City. A copy of the budget as finally adopted shall be certified by the city manager and filed by him with the city assessor, whose duty it shall be to levy such taxes for the corresponding tax year.

(Ref of 11/2/04)

[Sec.] 513. Budget message; current operations.

The budget message submitted by the city manager to the council shall be explanatory of the budget, shall contain an outline of the proposed financial policies of the city for the budget year and shall describe in connection therewith the important features of the budget plan. It shall set forth the reasons for salient changes from the previous year in cost and revenue items and shall explain any major changes in financial policy.

[Sec.] 905. Powers and duties.

The school board shall have all the powers conferred and shall perform all the duties imposed by law upon superintending school committees in regard to the care and management of the public schools of the city, except as otherwise provided in this charter. The school board shall, when requested by the city manager, furnish budget estimates in detail of the several sums required during the ensuing budget year for the support of the public schools and shall make such financial and activity reports in writing whenever and in such form to the city manager as the manager may require.

From the effective date of the budget the several amounts stated therein as proposed expenditures by the Department of Education and as approved expenditures by the City Council shall be and become appropriated to the specified categories as stated and shall not be used for other objects and purposes except as permitted in this section. The school superintendent may at any time transfer any unencumbered appropriation balance or portion thereof within but not between the categories of salaries, contracted services, supplies and capital outlay. At the request of the school superintendent, the school board may by resolution transfer any unencumbered appropriation balance or portion thereof from one aforementioned category to another.

City of South Portland Budget History

Fiscal Year	Municipal Approp.	Dollar Change	Percent Change	County Approp.	Dollar Change	Percent Change	Capital Reserve	Dollar Change	Percent Change
1993	\$15,202,397	\$86,177	0.57%	\$830,893	(\$5,374)	-0.64%			
1994	\$15,560,194	\$357,797	2.35%	\$1,038,188	\$207,295	24.95%			
1995	\$16,355,458	\$795,264	5.11%	\$1,017,821	(\$20,367)	-1.96%			
1996	\$17,407,363	\$1,051,905	6.43%	\$1,243,624	\$225,803	22.18%			
1997	\$17,850,133	\$442,770	2.54%	\$1,244,899	\$1,275	0.10%			
1998	\$18,452,186	\$602,053	3.37%	\$1,265,514	\$20,615	1.66%	\$500,000	\$500,000	na
1999	\$19,219,213	\$767,027	4.16%	\$1,289,523	\$24,009	1.90%	\$689,443	\$189,443	37.89%
2000	\$20,368,695	\$1,149,482	5.98%	\$1,244,518	(\$45,005)	-3.49%	\$565,000	(\$124,443)	-18.05%
2001	\$21,591,755	\$1,223,060	6.00%	\$1,335,095	\$90,577	7.28%	\$1,140,101	\$575,101	101.79%
2002	\$22,910,032	\$1,318,277	6.11%	\$1,486,495	\$151,400	11.34%	\$1,046,900	(\$93,201)	-8.17%
2003	\$22,687,422	(\$222,610)	-0.97%	\$1,769,580	\$283,085	19.04%	\$347,120	(\$699,780)	-66.84%
2004	\$22,748,043	\$60,621	0.27%	\$1,884,150	\$114,570	6.47%	\$788,330	\$441,210	127.11%
2005	\$23,765,228	\$1,017,185	4.47%	\$1,888,324	\$4,174	0.22%	\$550,670	(\$237,660)	-30.15%
2006	\$24,610,020	\$844,792	3.55%	\$1,916,839	\$28,515	1.51%	\$0	(\$550,670)	-100.00%
2007	\$25,773,697	\$1,163,677	4.73%	\$1,916,991	\$152	0.01%	\$0	\$0	na
2008	\$26,964,280	\$1,190,583	4.62%	\$1,941,542	\$24,551	1.28%	\$0	\$0	na
2009	\$27,802,987	\$838,707	3.11%	\$1,999,427	\$57,885	2.98%	\$0	\$0	na
2010	\$27,463,860	(\$339,127)	-1.22%	\$2,034,423	\$34,996	1.75%	\$0	\$0	na
2011	\$27,174,401	(\$289,459)	-1.05%	\$2,058,577	\$24,154	1.19%	\$506,623	\$506,623	na
2012	\$28,082,534	\$908,133	3.34%	\$2,072,476	\$13,899	0.68%	\$1,050,000	\$543,377	107.25%
2013	\$28,585,977	\$503,443	1.79%	\$2,075,037	\$2,561	0.12%	\$1,350,000	\$300,000	28.57%
2014	\$29,082,149	\$496,172	1.74%	\$2,215,084	\$140,047	6.75%	\$300,000	(\$1,050,000)	-77.78%
2015	\$30,247,620	\$1,165,471	4.01%	\$2,327,942	\$112,858	5.09%	\$0	(\$300,000)	-100.00%
2016	\$31,359,989	\$1,112,369	3.68%	\$2,434,056	\$106,114	4.56%	\$0	\$0	na
2017	\$32,604,547	\$1,244,558	3.97%	\$2,504,088	\$70,032	2.88%	\$0	\$0	na
2018	\$34,043,767	\$1,439,220	4.41%	\$2,598,030	\$93,942	3.75%	\$0	\$0	na
Fiscal Year	School Dept. Appropriation	Dollar Change	Percent Change	Total School App.	Dollar Change	Percent Change	Total Appropriation	Dollar Change	Percent Change
1993	\$17,999,451	(\$104,603)	-0.58%	\$17,999,451	(\$104,603)	-0.58%	\$34,032,741	(\$23,800)	-0.07%
1994	\$18,829,433	\$829,982	4.61%	\$18,829,433	\$829,982	4.61%	\$35,427,815	\$1,395,074	4.10%
1995	\$19,708,768	\$879,335	4.67%	\$19,708,768	\$879,335	4.67%	\$37,082,047	\$1,654,232	4.67%
1996	\$21,109,302	\$1,400,534	7.11%	\$21,109,302	\$1,400,534	7.11%	\$39,760,289	\$2,678,242	7.22%
1997	\$22,425,146	\$1,315,844	6.23%	\$22,425,146	\$1,315,844	6.23%	\$41,520,178	\$1,759,889	4.43%
1998	\$23,048,107	\$622,961	2.78%	\$23,548,107	\$1,122,961	5.01%	\$43,265,807	\$1,745,629	4.20%
1999	\$24,298,651	\$1,250,544	5.43%	\$24,988,094	\$1,439,987	6.12%	\$45,496,830	\$2,231,023	5.16%
2000	\$25,662,344	\$1,363,693	5.61%	\$26,227,344	\$1,239,250	4.96%	\$47,840,557	\$2,343,727	5.15%
2001	\$27,037,126	\$1,374,782	5.36%	\$28,177,227	\$1,949,883	7.43%	\$51,104,077	\$3,263,520	6.82%
2002	\$29,716,921	\$2,679,795	9.91%	\$30,763,821	\$2,586,594	9.18%	\$55,160,348	\$4,056,271	7.94%
2003	\$32,176,592	\$2,459,671	8.28%	\$32,523,712	\$1,759,891	5.72%	\$56,980,714	\$1,820,366	3.30%
2004	\$32,646,082	\$469,490	1.46%	\$33,434,412	\$910,700	2.80%	\$58,066,605	\$1,085,891	1.91%
2005	\$35,189,016	\$2,542,934	7.79%	\$35,739,686	\$2,305,274	6.89%	\$61,393,238	\$3,326,633	5.73%
2006	\$36,205,662	\$1,016,646	2.89%	\$36,205,662	\$465,976	1.30%	\$62,732,521	\$1,339,283	2.18%
2007	\$37,542,545	\$1,336,883	3.69%	\$37,542,545	\$1,336,883	3.69%	\$65,233,233	\$2,500,712	3.99%
2008	\$39,061,628	\$1,519,083	4.05%	\$39,061,628	\$1,519,083	4.05%	\$67,967,450	\$2,734,217	4.19%
2009	\$39,952,991	\$891,363	2.28%	\$39,952,991	\$891,363	2.28%	\$69,755,405	\$1,787,955	2.63%
2010	\$39,455,123	(\$497,868)	-1.25%	\$39,455,123	(\$497,868)	-1.25%	\$68,953,406	(\$801,999)	-1.15%
2011	\$37,374,164	(\$2,080,959)	-5.27%	\$37,880,787	(\$1,574,336)	-3.99%	\$67,113,765	(\$1,839,641)	-2.67%
2012	\$38,067,412	\$693,248	1.85%	\$39,117,412	\$1,236,625	3.26%	\$69,272,422	\$2,158,657	3.22%
2013	\$40,016,741	\$1,949,329	5.12%	\$41,366,741	\$2,249,329	5.75%	\$72,027,755	\$2,755,333	3.98%
2014	\$43,002,556	\$2,985,815	7.46%	\$43,302,556	\$1,935,815	4.68%	\$74,599,789	\$2,572,034	3.57%
2015	\$44,804,796	\$1,802,240	4.19%	\$44,804,796	\$1,502,240	3.47%	\$77,380,358	\$2,780,569	3.73%
2016	\$46,113,804	\$1,309,008	2.92%	\$46,113,804	\$1,309,008	2.92%	\$79,907,849	\$2,527,491	3.27%
2017	\$47,679,294	\$1,565,490	3.39%	\$47,679,294	\$1,565,490	3.39%	\$82,787,929	\$2,880,080	3.60%
2018	\$48,924,256	\$1,244,962	2.61%	\$48,924,256	\$1,244,962	2.61%	\$85,566,053	\$2,778,124	3.36%

City of South Portland Budget History

Fiscal Year	Total Need From Taxes	Dollar Change	Percent Change	Tax Rate	Percent Increase
1993	\$26,523,838	\$136,013	0.52%	\$27.60	2.99%
1994	\$27,372,928	\$849,090	3.20%	\$19.60	Revaluation
1995	\$27,951,835	\$578,907	2.11%	\$19.60	0.00%
1996	\$29,298,844	\$1,347,009	4.82%	\$20.24	3.27%
1997	\$30,507,851	\$1,209,007	4.13%	\$19.94	-1.48%
1998	\$32,206,901	\$1,699,050	5.57%	\$19.44	-2.51%
1999	\$33,138,864	\$931,963	2.89%	\$19.44	0.00%
2000	\$35,343,425	\$2,204,561	6.65%	\$20.43	5.09%
2001	\$37,851,329	\$2,507,904	7.10%	\$21.55	5.48%
2002	\$42,535,670	\$4,684,341	12.38%	\$23.30	8.12%
2003	\$43,354,908	\$819,238	1.93%	\$17.06	Revaluation
2004	\$44,479,305	\$1,124,397	2.59%	\$17.49	2.52%
2005	\$46,546,474	\$2,067,169	4.65%	\$18.10	3.49%
2006	\$46,971,257	\$424,783	0.91%	\$18.27	0.94%
2007	\$48,809,321	\$1,838,064	3.91%	\$13.10	Revaluation
2008	\$50,977,823	\$2,168,502	4.44%	\$13.69	4.50%
2009	\$51,630,233	\$652,410	1.28%	\$14.00	2.26%
2010	\$52,148,676	\$518,443	1.00%	\$14.70	Revaluation
2011	\$52,699,426	\$550,750	1.06%	\$15.70	Revaluation
2012	\$54,041,790	\$1,342,364	2.55%	\$16.10	2.55%
2013	\$55,926,955	\$1,885,165	3.49%	\$16.50	2.48%
2014	\$56,799,997	\$873,042	1.56%	\$16.70	1.56%
2015	\$58,730,418	\$1,930,421	3.40%	\$17.10	2.40%
2016	\$59,938,234	\$1,207,816	2.06%	\$17.40	1.78%
2017	\$60,951,539	\$1,013,305	1.69%	\$17.70	1.72% Homestead adjustment
2018	\$62,575,559	\$1,624,020	2.66%	\$18.36	3.75%

City of South Portland
FY2018 LD 1 Worksheet (with Comparison FY17)
PURSUANT TO Sec. C-1. 30-A M.R.S.A. § 5721-A

	<u>FY17</u>	<u>FY18</u>
1. Prior Year Property Tax Levy/Limit for Municipal Services	22,662,275	23,617,696
2. Income Growth Factor (State Planning Office calculation)	0.0267	0.0284
3. Property Growth Factor (see property growth sheet)	0.0214	0.0204
4. LD 1 Growth Limit Factor (Line 2 + Line 3)	0.0481	0.0488
5. Add 1 to the Growth Limitation Factor calculated in Line 4. (For example, if Line 4 is 0.0360, the enter 1.0360 on Line 5.)	1.0481	1.0488
6. Net New State Funding (see instruction sheet)		
6A. Net New Revenue Sharing	134,634	
6B. Loss of Revenue Sharing		
7. Multiply Line 1 by Line 5	23,752,330	24,770,240
8. FY2018 Property Tax Levy Limit		
8A. Line 7 less Line 6A (complete only if data is reported in 6A)		
8B. Line 7 plus Line 6B (complete only if data is reported in 6B)	23,617,696	24,770,240
9. FY2018 Proposed Municipal Appropriations (Do not include any school appropriations.)	32,604,547	34,043,767
10. FY2018 Proposed Total Deductions (Do not include any school revenues.)	14,308,115	15,620,356
11. 2018 Municipal Property Tax Levy (Line 9 less Line 10)	18,296,432	18,423,411
12. Over/(Under) Limit (Line 11 less Line 8)*	(5,321,264)	(6,346,829)

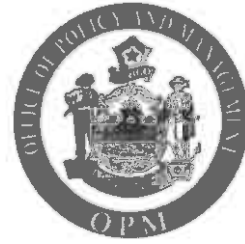
* The purpose of this exercise is to estimate whether a community will be over or under the LD 1 limit in FY2018.

CITY OF SOUTH PORTLAND for 2018
 2018 MUNICIPAL PROPERTY TAX GROWTH FACTOR
 PURSUANT TO Sec. C-1. 30-A M.R.S.A. § 5721-A.1.C.

2017 Total Valuation	+	\$3,620,634,600
Abatements		\$29,683
Supplements	+	\$0
Adjust 2017 Valuation	=	\$3,620,604,917
BETE increases		\$23,838,800
		\$3,644,443,717
Real Estate Growth		\$35,233,700
Personal Property Growth		\$15,311,500
BETE increases		\$23,838,800
		\$74,384,000
Total		\$74,384,000
Property Tax Growth		2.04%

The annual property growth factor for a municipality is a fraction established by the municipality whose denominator is the total valuation of the municipality, and whose numerator is the amount of increase in the assessed valuation of any real or personal property in the municipality during the prior fiscal year that may become subject to taxation for the first time, or taxed as a separate parcel for the first time during such fiscal year, or that has had an increase in its assessed valuation over the prior year's valuation as a result of improvements to or expansion of the property.

Maine Office of Policy and Management
 State House Station #181
 Augusta, Maine 04333



Director
 Jonathan P. LaBonté

TO: Municipal and County Officials
 FROM: Amanda Rector, State Economist
 DATE: September 28, 2016
 RE: **Next Year's LD 1 Average Personal Income Growth is 2.84%**

With the passage of "LD 1" in 2005, towns and counties are required to calculate a property tax levy limit each year based on local property growth and statewide average personal income growth. Each town and county is responsible for calculating its property growth using the most recent valuation data available. The Office of Policy and Management (OPM) is responsible for calculating income growth. For the purpose of calculating municipal property tax levy limits for next year's municipal budgets (the 1/1/2017 - 12/31/2017 budget year for municipalities on a calendar-year budget or the 7/1/2017 - 6/30/2018 budget year for municipalities on a fiscal-year budget), OPM has determined average personal income growth to be 2.84%. The table below shows how this figure was calculated.

Calculation of Maine's "Average Personal Income Growth"

Calendar Year	Nominal Personal Income (thousands)	% Change
2005	\$43,083,415	
2006	\$45,402,329	5.38%
2007	\$47,187,502	3.93%
2008	\$49,226,384	4.32%
2009	\$49,130,870	-0.19%
2010	\$49,827,077	1.42%
2011	\$51,714,022	3.79%
2012	\$52,877,607	2.25%
2013	\$52,724,616	-0.29%
2014	\$54,860,192	4.05%
2015	\$56,893,803	3.71%
AVERAGE		2.84%

Source: U.S. Bureau of Economic Analysis

This calculation reflects the revised methodology described in 5 MRSA §1531 as amended by P.L. 2015 Chapter 267, Part L: "'Average personal income growth" means the average for the prior 10 calendar years, ending with the most recent calendar year for which data is available, of the percent change in personal income in this State, as estimated by the United States Department of Commerce, Bureau of Economic Analysis. The average personal income growth is determined by October 1st, annually, by the Governor's Office of Policy and Management." 2015 is currently the most recent year for which data is available.

SOUTH PORTLAND SCHOOL DEPARTMENT

BOARD OF EDUCATION

FISCAL YEAR 2017-2018

BUDGET SUMMARY

PART I - BUDGET - LOCALLY SUPPORTED PROGRAMS

	<i>FY17 Budget</i>	<i>FY18 Budget</i>	<i>% Change</i>
<i>REGULAR INSTRUCTION</i>	<i>18,397,844</i>	<i>19,054,261</i>	<i>3.6%</i>
<i>SPECIAL EDUCATION</i>	<i>8,892,384</i>	<i>9,075,209</i>	<i>2.1%</i>
<i>CAREER & TECHNICAL ED</i>	<i>290,559</i>	<i>347,500</i>	<i>19.6%</i>
<i>OTHER INSTRUCTION</i>	<i>913,774</i>	<i>956,827</i>	<i>4.7%</i>
<i>STUDENT & STAFF SUPPORT</i>	<i>3,842,182</i>	<i>3,992,867</i>	<i>3.9%</i>
<i>SYSTEM ADMINISTRATION</i>	<i>1,398,085</i>	<i>1,443,978</i>	<i>3.3%</i>
<i>SCHOOL ADMINISTRATION</i>	<i>2,410,127</i>	<i>2,503,638</i>	<i>3.9%</i>
<i>TRANSPORTATION & BUSES</i>	<i>1,947,029</i>	<i>2,102,089</i>	<i>8.0%</i>
<i>FACILITIES MAINTENANCE</i>	<i>4,247,233</i>	<i>4,324,063</i>	<i>1.8%</i>
<i>DEBT SERVICE</i>	<i>4,881,765</i>	<i>4,660,304</i>	<i>-4.5%</i>
<i>ALL OTHER EXPENDITURES</i>	<i>438,312</i>	<i>438,520</i>	<i>0.0%</i>
<i>SUBTOTAL</i>	<i><u>47,659,294</u></i>	<i><u>48,899,256</u></i>	
<i>ADULT EDUCATION</i>	<i>20,000</i>	<i>25,000</i>	<i>25.0%</i>
<i>TOTAL</i>	<i><u>\$47,679,294</u></i>	<i><u>\$48,924,256</u></i>	<i>2.6%</i>

**SOUTH PORTLAND SCHOOL DEPARTMENT
REVENUE COMPARISONS - PART I BUDGET**

<i>DESCRIPTION</i>	<i>FY14 BUDGETED REVENUES</i>	<i>FY15 BUDGETED REVENUES</i>	<i>FY16 BUDGETED REVENUES</i>	<i>FY17 BUDGETED REVENUES</i>	<i>FY18 ESTIMATED REVENUES</i>
<i>USE OF FUND BALANCE</i>	\$875,000	\$677,117	\$500,000	\$500,000	\$500,000
<i>TUITION FOR STATE AGENCY CLIENTS</i>	25,000	25,000	25,000	35,000	45,000
<i>STUDENT ADM.</i>	25,000	25,000	35,000	41,000	43,000
<i>ATHLETIC SPONSORSHIPS</i>	-	-	-	30,000	30,000
<i>OTHER REVENUE</i>	15,840	19,800	19,800	19,800	19,800
<i>STATE SUBSIDY</i>	4,613,723	5,275,585	5,662,701	6,278,169	est. 5,972,690
<i>MAINE CARE</i>	50,000	50,000	100,000	100,000	50,000
<i>PORTLAND TRANSPORTATION AGRMT</i>	78,666	78,666	117,713	126,000	126,000
<i>TRANSFER IN FROM BRICKHILL TIF</i>	153,683	162,748	197,384	201,849	197,353
<i>TRANSFER IN SRO/BUS/TECH RESERVES</i>	53,750	95,863	198,015	196,457	386,295
<i>SUB TOTAL REVENUE</i>	5,890,662	6,409,779	6,855,613	7,528,275	7,370,138
<i>LOCAL EFFORT - OPERATING</i>	37,111,894	38,395,017	39,258,191	40,151,019	41,554,118
<i>TOTAL REVENUE</i>	\$43,002,556	\$44,804,796	\$46,113,804	\$47,679,294	\$48,924,256

**SOUTH PORTLAND SCHOOL DEPARTMENT
TAX CALCULATION**

	FY14	FY15	FY16	FY17	FY18
PART I Local Operating Budget	\$42,982,556	\$44,784,796	\$46,093,804	\$47,659,294	\$48,899,256
Adult Education Local Contribution	\$20,000	\$20,000	\$20,000	\$20,000	\$25,000
Total School Operating Budget	<u>\$43,002,556</u>	<u>\$44,804,796</u>	<u>\$46,113,804</u>	<u>\$47,679,294</u>	<u>\$48,924,256</u>
Total School Operating/Debt Reserve Expense	<u>\$43,002,556</u>	<u>\$44,804,796</u>	<u>\$46,113,804</u>	<u>\$47,679,294</u>	<u>\$48,924,256</u>
<u>Revenue and Adjustments:</u>					
Non-Tax Revenue (e.g., GPA, SAC, MaineCare, etc.)	\$5,015,662	\$5,732,662	\$6,355,613	\$7,028,275	\$6,870,138
Use of Starting Fund Balance	875,000	677,117	500,000	500,000	500,000
Total School Funds Available	<u>\$5,890,662</u>	<u>\$6,409,779</u>	<u>\$6,855,613</u>	<u>\$7,528,275</u>	<u>\$7,370,138</u>
Total Amount to Be Raised by Taxes (Total School Operating Budget Less Funds Available)	<u>\$37,111,894</u>	<u>\$38,395,017</u>	<u>\$39,258,191</u>	<u>\$40,151,019</u>	<u>\$41,554,118</u>
Assessed Valuation (in thousands)	\$3,410,000	\$3,425,000	\$3,422,000	est. \$3,407,500	est. \$3,407,500
Change in School Mil Rate - Total:					
Total Mil Rate	\$10.88	\$11.21	\$11.47	\$11.78	\$12.19
Tax Increase in Dollars	\$529,246	\$1,283,122	\$863,174	\$892,828	\$1,403,099
Tax Increase as Percentage	1.45%	3.46%	2.25%	2.27%	3.49%
Change in Mil Rate from Prior Year	<u>\$0.07</u>	<u>\$0.33</u>	<u>\$0.262</u>	<u>\$0.31</u>	<u>\$0.41</u>
Change in School Mil Rate - Operating Budget:					
Total Mil Rate	\$9.57	\$9.78	\$10.03	\$10.35	\$10.83
Tax Increase in Dollars	\$104,489	\$859,409	\$850,347	\$930,043	\$1,624,560
Change in Mil Rate from Prior Year	<u>-\$0.05</u>	<u>\$0.21</u>	<u>\$0.257</u>	<u>\$0.32</u>	<u>\$0.48</u>
Change in School Mil Rate - Debt/Municipal Leases:					
Total Mil Rate	\$1.31	\$1.43	\$1.44	\$1.43	\$1.37
Tax Increase in Dollars	\$424,757	\$423,713	\$12,827	-\$37,215	-\$221,461
Change in Mil Rate from Prior Year	<u>\$0.12</u>	<u>\$0.12</u>	<u>\$0.005</u>	<u>\$0.00</u>	<u>-\$0.06</u>

FY2017 COUNTY OF CUMBERLAND-

Final 2017 Valuation

The tax distribution schedule describes the amount of tax required from each municipality based on their equalized valuation to provide the revenue necessary for county operations. Previous year information is provided for comparison purposes. The tax calculation table at the bottom of the schedule shows the factors of expenditures revenues, and surplus used to calculate the amount of county property tax assessed on the real and personal property in each municipality.

The State of Maine Valuation for 2017 shows overall County increase of Valuation Growth

Tax Distribution Schedule

Town	1.97%		3.27%			
	State 2016	2016 Tax	State 2017	Val	2017 Tax	Percent
	Valuation		Valuation	Change		Tax
				%		Change
Baldwin	147,150,000	99,688	150,050,000	2.0%	104,271	4.60%
Bridgton	942,750,000	638,665	969,700,000	2.9%	673,846	5.51%
Brunswick	2,082,600,000	1,410,855	2,184,050,000	4.9%	1,517,700	7.57%
Cape Elizabeth	1,840,800,000	1,247,048	1,915,450,000	4.1%	1,331,050	6.74%
Casco	640,200,000	433,703	637,100,000	-0.5%	442,722	2.08%
Chebeague Island	193,650,000	131,188	180,350,000	-6.9%	125,326	-4.47%
Cumberland	1,144,550,000	775,374	1,171,250,000	2.3%	813,904	4.97%
Falmouth	2,253,100,000	1,526,360	2,338,100,000	3.8%	1,624,750	6.45%
Freeport	1,462,950,000	991,074	1,520,550,000	3.9%	1,056,633	6.61%
Frye Island	151,000,000	102,295	151,700,000	0.5%	105,417	3.05%
Gorham	1,541,700,000	1,044,423	1,602,450,000	3.9%	1,113,546	6.62%
Gray	884,000,000	598,865	888,850,000	0.5%	617,664	3.14%
Harpswell	1,852,450,000	1,254,940	1,862,850,000	0.6%	1,294,498	3.15%
Harrison	492,400,000	333,576	505,450,000	2.7%	351,238	5.29%
Long Island	145,250,000	98,399	152,500,000	5.0%	105,973	7.70%
Naples	732,250,000	496,062	741,450,000	1.3%	515,235	3.87%
New Gloucester	485,300,000	328,766	493,500,000	1.7%	342,934	4.31%
North Yarmouth	442,700,000	299,907	466,000,000	5.3%	323,824	7.97%
Portland	7,996,350,000	5,417,119	8,501,550,000	6.3%	5,907,743	9.06%
Pownal	228,250,000	154,628	234,900,000	2.9%	163,232	5.56%
Raymond	998,250,000	676,263	1,046,300,000	4.8%	727,076	7.51%
Scarborough	3,791,950,000	2,568,852	3,899,350,000	2.8%	2,709,666	5.48%
Sebago	372,050,000	252,045	364,450,000	-2.0%	253,257	0.48%
South Portland	3,696,350,000	2,504,088	3,738,700,000	1.1%	2,598,030	3.75%
Standish	1,004,900,000	680,768	1,024,950,000	2.0%	712,240	4.62%
Westbrook	1,884,650,000	1,276,754	1,945,800,000	3.2%	1,352,140	5.90%
Windham	1,867,050,000	1,264,831	1,877,500,000	0.6%	1,304,678	3.15%
Yarmouth	1,532,200,000	1,037,987	1,575,000,000	2.8%	1,094,470	5.44%
	40,806,800,000	27,644,523	42,139,850,000	3.27%	29,283,062	5.93%
Tax Calculation	2014	2015	2016		2017	
Total Estimated Expend	37,745,743	39,267,552	39,895,902		41,464,388	
Total Estimated Revenue	(11,982,439)	(12,493,956)	(12,251,379)		(12,181,326)	
Designated Surplus	(350,000)	-	-		-	Net Increase
Tax Revenue Required	25,413,304	26,773,596	27,644,523		29,283,062	5.93%
Mil Rate	2014	2015	2016		2017	
Per \$1,000	0.0006580382	0.0006798849	0.0006774489		0.0006949019	
	0.6580382	0.6798849	0.67744893		0.694901892	
Amount for \$200,000 ↑ \$	131.61	\$ 135.98	\$ 135.49		\$ 138.98	
<i>Increase</i>		\$ 4.37	\$ (0.49)		\$ 3.49	

Glossary of Terms

Annual Budget - a budget applicable to a single fiscal year.

Appropriation - an authorization granted by the City Council to a specified unit of City government to incur obligations and make expenditures of resources.

Assessment - the official valuation of property for purposes of taxation.

BETE (Business Equipment Tax Exemption) BETE is a 100% property tax exemption for eligible property first subject to tax on or after 4/1/08 (for property placed in service after April 1, 2007). Under this program the State of Maine reimburses the Municipality for a portion of the taxes that would have been collected. For FY09 the reimbursement percent was 100% and for FY2010 it is anticipated to be 90%. The percentage reimbursement declines by 10% each year to a minimum 50% reimbursement.

Bond - a written promise to pay a specified sum of money (called principal) at a specified date in the future, plus periodic interest at a specified rate. In the budget document these payments are identified as debt service. General Obligation Bonds are debt approved by voter referendum to which the full faith and credit of the City is pledged.

Budget - a plan for the acquisition and allocation of resources to accomplish specified purposes. The term may be used to describe special purpose fiscal plans or parts of a fiscal plan, such as "the budget of the Fire Department," "the Capital Budget" or it may relate to a fiscal plan for an entire jurisdiction, such as "the budget of the City of South Portland."

Capital - a category of account codes which identify major expenditures of public funds, beyond maintenance and operating costs, for procurement of items such as vehicles, computer equipment, office furniture, and the acquisition or construction of a needed physical facility.

Capital Equipment - fixed assets such as automobiles, typewriters, furniture, technical instruments, etc., which have a life expectancy of more than one year and a value over five hundred dollars.

Capital Improvement Program (CIP) - a document which provides a prioritization and orderly implementation of short and long-range plans for land acquisition and construction of capital projects. It further provides for the scheduling of the associated expenditures over a period of seven years in order to maximize the use of public funds. The first year of the program represents the proposed capital budget for that fiscal year. The schedule is based on a series of priorities which take into consideration the respective projects' function and urgency. In addition, special consideration is given to the projects' relation to other improvements and plans, and the City's current and anticipated financial capacity. The Capital Improvement Program is updated annually, at which time the schedule and the projects are reevaluated, new or deferred projects are added, and the time frame is extended by one additional fiscal year.

Capital Outlays - expenditures which result in the acquisition of or an addition to fixed assets.

Cash Management - a conscious effort to manage cash flows in such a way that interest and penalties paid are minimized and interest earned is maximized. Checks received are deposited the same day, bills are paid no sooner than the due date unless discounts can be obtained by paying earlier, future needs for cash are determined with exactness and cash on hand not needed immediately is invested in short term interest-bearing securities.

Contingency Account - a budgetary reserve set-aside for emergencies or unforeseen expenditures not otherwise budgeted.

Debt - an obligation resulting from the borrowing of money.

Debt Service - the accounting for payments of principal and interest on long-term debt.

Deficit – (1) the excess of the liabilities of a fund over its assets. (2) the excess of expenditures over revenues during an accounting period.

Department - a separate functional and accounting entity within a certain fund type.

Designated Fund Equity – funds approved and set-aside for a specific defined purpose, by the City Council.

Encumbrance - a reservation of funds for an anticipated expenditure prior to actual payment for an item. Funds usually are reserved or encumbered once a contracted obligation has been signed for an item, but prior to the cash payment actually being dispersed.

Employee Benefits - the employee benefit expenditures included in the budget are the City's share of an employee's fringe benefits. These include FICA (Social Security), health insurance, life insurance, retirement, unemployment, disability insurance, employee assistance program, and worker's compensation.

Expenditure - a decrease in net financial resources. Expenditures include payment in cash for current operating expenses, debt service and capital outlays.

Expenses - charges incurred, whether paid or unpaid, for operations, maintenance, interest and other charges, which are presumed to benefit the current fiscal year.

Fiscal Year - in the City of South Portland, the twelve months beginning July 1 and ending the following June 30th.

Fund - a fiscal and accounting entity with a self-balancing set of accounts that are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

Fund Balance - the excess of a fund's assets over its liabilities and reserves.

Generally Accepted Accounting Principles – government accounting and financial reporting is guided by what are referred to as “generally accepted accounting principles” (GAAP) applicable to governmental units. These standards were formulated through the voluntary action of several professional groups and are evaluated and updated by the Government Accounting Standards Board (GASB).

General Fund - accounts for the general operations of the City. This fund accounts for all financial transactions and resources not required to be accounted for in an enterprise fund.

Goal - a general statement of purpose. A goal provides a framework within which the program unit operates; it reflects realistic constraints upon the unit providing the service. A goal statement speaks generally toward results rather than toward specific actions.

Liability - debt or other legal obligations arising out of transactions in the past that must be paid or refunded at some future date, not including encumbrances.

Line Item - a specific expenditure category within an agency budget, e.g., rent, travel, telephone, postage, printing and forms, or office supplies. Defined by an account number.

Management Information Systems (MIS) – an activity center within the Executive Department responsible for computer and network installation, maintenance, support, and troubleshooting.

Mission Statement - a general statement of the purposes of the City. The mission statement is all-inclusive and expresses organizational values and philosophies.

Modified Accrual Basis – an accounting method where revenues are acknowledged in the period within which they are earned and expenditures are accounted for at the time they are obligated.

Objective - a statement of purpose defined more specifically than a goal. (A goal may subsume several related objectives.) An objective normally indicates anticipated levels of achievement and is usually time limited and quantifiable. Within the objective, specific statements with regard to targets and/or standards often are included.

Obligations - amounts that the City may be required to meet out of its resources.

Operating Expenditures - a category of recurring expenses, other than salaries and capital equipment costs, which covers expenditures necessary to maintain facilities, collect

revenues, provide services and otherwise carry out the City's goals. Typical line items are supplies, printing, postage, transportation and utilities.

Operations and Maintenance (O&M) - a category of account codes which identify general operating expenses, i.e., supplies, routine equipment and building maintenance, and other overhead-type expenditures.

Personnel Services - a category of account codes which identifies various classification of wages, and salaries and overtime expenses.

- **Position** - a group of duties and responsibilities, as prescribed by an office or department, to be performed by a person on a full-time, part-time and/or temporary basis. The status of a position is not to be confused with the status of the employee.

Public Hearing - a scheduled meeting or time specifically set aside to provide an opportunity for citizens to discuss their feelings about a particular issue. Prior to a public hearing, the scheduled date and time, as well as the subject, must be advertised.

Reserve - an account, which records a portion of the fund, balance which must be segregated for some future use and which is not available for future appropriation or expenditures.

Revenues - funds which the government receives as income. It includes such items as fees from specific services, boarding of prisoners, grants, and interest income.

Surplus – See Fund Balance.

Unappropriated Fund Balance - fund balance at close of fiscal year is not included in the annual budget.

Undesignated Fund Equity – Funds not earmarked for a specific purpose and used to meet unanticipated expenditure demands.