



Town of Scarborough, Maine

P.O. BOX 360 • SCARBOROUGH, MAINE 04070-0360

RUTH D. PORTER
FINANCE DIRECTOR
TREASURER

TOWN OF SCARBOROUGH Executive Summary for the period ending December 31, 2019

The second quarter of this fiscal year has ended. Substantial completion for the Public Safety Building is scheduled for March 29, 2020. We say goodbye to our retiring Assessor, David Bouffard, who worked tirelessly with his Assessing team to convert our Trio Assessing software to the Vision Assessing software. Dave also worked over the past two years to complete a full town wide revaluation. Finally, the town is reviewing the feasibility of a community center with Crossroads Holdings on the old Scarborough Downs property. There is always something exciting going on here in Scarborough!

Positive indicators: Scarborough has completed six months of our FY2020 budget. At this point in time, generally, we should be 50% collected/spent. Excise revenues collections are 54% of the budget, building permits are 53% collected. Also, parking violation revenues are 129% collected! The State is stepping up as our town intergovernmental revenues are currently at 69% collected. The school's general-purpose aid is at 49.4% collected. As mentioned in prior summaries, tax revenues are recorded when billed and not when collected. A tax receivable is then recorded on the balance sheet and this is where we determine how much has been received. Tax collections through December are at 50.01% collected. As of January 21st, collections are at 50.35%. The second half tax bills are expected to be mailed during the early part of February. Public Works uses the encumbrance system extensively and show 66.5% of their budget committed. The encumbrance process, by its name encumbers or reserves a portion of a budget for specific costs. Excluding the encumbrances, Public Works would show 47.8% spent.

The Finance and Information Technology Departments have spent the past eight months working to implement online property tax payments. While the implementation for online property tax payments is January 13th, the decision was made to open the online tax payments to coincide with the mailing of the tax bills in February. Anyone who pays with a credit/debit card, will pay a convenience fee. The Town currently has two vendors who charge convenience fees. Walk in customers pay 2.49% (reduced from 2.65%). For those who wish to pay their property taxes online, the convenience fee is 2.3%.

Annually, the unassigned fund balance is updated. Per our fund balance policy, the Town's goal is to maintain unassigned fund balance equal to 10% of the prior year operating budget. The 2019 operating budget total is \$88,086,163. 10% of this amount is 8,808,616. The unaudited, Unassigned Fund Balance *estimate* as of June 30, 2019 is \$8,211,760 or 9.32% of operating. To bring the Town into compliance with our fund balance policy of 10%, Unassigned Fund Balance will need to increase \$155,607. While the unassigned fund balance is still an estimate, I do not feel it will change significantly.

The assets and liabilities are mostly determined by the timing of the expenditures and revenues and as such, I will focus on the expenditures and revenues. As a general indicator of fund balance, actual revenues and expenditures can measure the anticipated changes that could affect total fund balance.

Negative indicators: Total expenditures for the quarter (town and school) are at 54.3% spent. The Library has received their 3rd quarter allotment and so are currently at 75% spent. The general assistance costs have increased and this budget is overspent. While the State reimburses the town for a portion of these expenditures and those revenues will exceed estimates, the reimbursements will not cover the over-expenditure. Legal expenditures are over expended by \$56,427. Abatements due to the recent revaluations and settlements are at \$689,880 through December. Overlay is used to offset abatements and for FY2020 is budgeted at \$298,892. Debt is expected to be over budget by approximately \$15,000 as we did not receive final numbers for the \$7.380m bond until after the budget was approved and the interest costs were higher than anticipated.

On December 13th, the Town Manager instituted a curtailment of non-essential spending as a way to mitigate and help offset these over-expenditures.

**TOWN OF SCARBOROUGH
TOWN GENERAL FUND BALANCE SHEET**

	<u>December 31, 2019</u>	<u>December 31, 2018</u>	<u>Variance</u>
<u>ASSETS</u>			
Cash	14,500,900	18,082,105	(3,581,205)
Taxes Receivable	34,025,056	32,727,029	1,298,026
Accts Receivable	582,740	630,718	(47,978)
Due From Other Funds	2,141,328	2,426,744	(285,416)
Inventories	27,679	28,179	(500)
Total Assets and Outflows	<u>51,277,702</u>	<u>53,894,775</u>	<u>(2,617,073)</u>
<u>LIABILITIES</u>			
Accounts Payables	1,860,507	6,774,788	(4,914,281)
Accrued Payroll	5,000,331	4,815,035	185,297
Prepaid Items	910	910	0
Deferred Tax Revenues	913,993	843,488	70,505
Taxes Collected In Advance	1,334	2,230	(896)
Total Liabilities and Inflows	<u>7,775,256</u>	<u>12,434,631</u>	<u>(4,659,375)</u>
<u>FUND BALANCE</u>			
Fund Balance Unrestricted	8,766,643	8,372,861	393,782
Fund Balance Reserved	5,070,810	4,970,732	100,077
Fuel Inventory Reserve	27,679	28,179	(500)
Actual Revenues	79,252,480	76,601,414	2,651,066
Actual Expenditures	49,615,165	48,513,043	1,102,122
Fund Balance	<u>43,502,446</u>	<u>41,460,144</u>	<u>2,042,302</u>
Total Liabilities and Fund Balance	<u>51,277,702</u>	<u>53,894,775</u>	<u>(2,617,073)</u>

**Town of Scarborough
Comparative Year To Date Expenditures**

	<u>12/31/2019</u>			<u>12/31/2018</u>		
	<u>Revised Appropriation</u>	<u>YTD Expended</u>	<u>Percent Used</u>	<u>Revised Appropriation</u>	<u>YTD Expended</u>	<u>Percent Used</u>
<u>1100 General Fund</u>						
55 Legislative	11,573	5,786	50.0%	11,573	5,786	50.0%
56 Executive	2,751,280	1,496,945	54.8%	2,699,751	1,345,733	49.9%
57 Finance	1,150,366	540,967	47.6%	1,095,711	508,384	46.8%
58 Management Information Systems	1,459,862	734,687	53.9%	1,446,086	751,900	55.0%
59 Planning	1,111,432	470,566	44.3%	1,056,153	448,456	42.5%
62 Community Services	2,615,535	1,317,752	50.8%	2,471,542	1,293,581	52.8%
63 Library	1,164,166	873,125	75.0%	1,152,091	864,068	75.0%
66 Public Health & Welfare	33,633	36,028	107.1%	32,314	10,952	33.9%
68 SEDCo	246,644	104,669	42.4%	240,693	109,626	45.5%
71 Fire Services	5,637,939	2,584,912	46.2%	5,314,941	2,515,182	47.5%
72 Police Services	7,216,338	3,376,966	48.5%	6,627,305	3,137,424	47.4%
81 Public Works	6,947,868	3,321,584	66.5%	6,775,465	3,331,326	67.2%
85 Debt	6,145,997	5,330,173	86.7%	5,579,904	4,753,023	85.2%
91 County Tax	2,956,659	2,956,659	100.0%	2,827,079	2,827,079	100.0%
94 Capital Equipment	2,376,539	564,261	26.4%	1,485,901	837,004	89.0%
97 Other	1,371,129	388,389	28.3%	1,693,189	324,803	5.9%
Total General Fund Expenditures	43,196,960	24,103,468	59.5%	40,509,697	23,064,327	61.3%
Fund 7150 Adult Education	202,311	106,819	52.8%	188,501	85,040	45.1%
Fund 7100 Total School General Fund	51,426,993	25,404,878	49.8%	48,526,504	25,363,676	52.5%
Total School General Fund Expenditures	51,629,304	25,511,697	49.9%	48,715,005	25,448,716	52.5%
Grand Total	94,826,264	49,615,165	54.3%	89,224,702	48,513,043	56.5%

6 Months = 50.00%

NOTES:

55: Elections \$20,000 higher spent in FY19 than FY2020

56: Legal fees are 150% spent in FY2020 compared to 57% spent through December.

66: Public Health & Welfare - General Assistance overspent.

72: Navigator Position

85: Debt payments due November (P&I) and in May (interest only).

94: Timing of capital equipment purchases for prior year and current year.

**Town of Scarborough
Comparative Year To Date Revenues**

	<u>12/31/2019</u>			<u>12/31/2018</u>		
	Revised Estimated Revenue	Actual YTD Revenue	% Collected	Revised Estimated Revenue	Actual YTD Revenue	% Collected
1100 General Fund						
90 Taxes	27,483,464	23,737,864	86.4%	26,946,812	23,775,656	84.0%
91 Interest On Delinquent Taxes	97,500	43,712	44.8%	97,965	27,832	5.2%
92 Licenses And Permits	699,480	342,769	49.0%	700,980	294,830	25.3%
93 Intergovernmental Revenues	3,406,016	2,352,466	69.1%	3,261,100	2,363,514	30.8%
94 Charge For Services	6,639,097	2,684,134	40.4%	6,303,393	3,203,300	19.8%
95 Fines Forfeits And Assessments	71,000	58,872	82.9%	71,500	32,549	26.0%
96 Miscellaneous Revenues	823,848	274,887	33.4%	693,163	410,272	17.6%
98 Grants & Contributions	-	-	0.0%	-	-	0.0%
99 Other Financing Sources	3,628,175	514,590	14.2%	2,281,850	10,000	0.0%
Total General Fund Revenues	42,848,580	30,009,293	70.0%	40,356,763	30,117,952	74.6%
Fund 7150 Adult Education	202,311	148,541	73.4%	188,501	138,951	55.0%
Fund 7100 Total School General Fund	51,426,993	49,094,646	95.5%	48,526,504	46,344,511	94.0%
Total School General Fund Revenues	51,629,304	49,243,187	95.4%	48,715,005	46,483,462	95.4%
Grand Total	94,477,884	79,252,480	83.9%	89,071,768	76,601,414.40	86.0%

Property Taxes Collected: 50.01%
Collections as of 1-21-2020: 50.35%
6 Months = 50.00%

FY2019 Property Taxes Collected Dec 2018: **51.35%**
FY2018 Property Taxes Collected Dec 2017: **54.41%**
FY2017 Property Taxes Collected Dec 2016: **50.79%**
FY2016 Property Taxes Collected Dec 2015: **51.10%**

NOTES:

90: Taxes include abatements totalling \$689,879.75 (current & prior year)

91: Sale of Whitten property - interest paid \$15,096.

92: Licenses & Permits: Building permits at \$250,208 compared to \$208,797 in FY19 and Electrical Permits at \$42,795 compared to \$35,439.

93: Intergovernmental Revenues: Increased State Revenue Sharing of \$247,129 over prior year and increase in admin fee from 4% to 5%.

94: School Dept not yet billed for IT services, estimate of \$382,700 in FY2020.

95: Fines & Forfeits: Increase in parking violation payments

96: Miscellaneous Revenues: Received a one time revenue from the State for Salt Shed in FY19 of \$124,797.

99: Transferred School Development Fees budgeted in FY20 of \$509,590.

**Town of Scarborough
Year To Date Expenditures Through December 31, 2019**

	<u>Original Appropriation</u>	<u>Revised Budget</u>	<u>YTD Expended</u>	<u>Encumb</u>	<u>Available Budget</u>	<u>Percent Used</u>
<u>Other Town Fund Expenditures</u>						
Fund 1200 Total Special Revenue Fund	-	-	2,018,993	31,157	(2,050,149)	100.0%
Fund 1300 Total Capital Projects Fund	1,251,000	1,251,000	267,628	-	983,372	21.4%
Fund 1310 Total Capital Projects Fund	895,000	926,766	1,618,954	22,156	(714,344)	177.1%
Fund 1310 Public Safety Building	-	101,831	8,291,172	154,618	(8,343,958)	8293.9%
Fund 1500 Total Cemetery Permanent Fund	-	-	-	-	-	0.0%
Total Town Other Fund Exp	2,146,000	2,279,597	12,196,746	207,931	(10,125,080)	544.2%

<u>Other School Fund Expenditures</u>						
Fund 72xx Total School Special Revenue Fund	-	-	506,924	1,441	(508,365)	100.0%
Fund 7300 Total School Capital Projects Fund	-	-	6,168	-	(6,168)	100.0%
Fund 7400 Total School Capital Projects Fund	2,441,070	2,441,070	1,546,227	95,285	799,558	67.2%
Fund 7600 Total School Nutrition Program	1,746,555	1,746,555	832,722	254,775	659,058	62.3%
Fund 7800 Total School Scholarship Funds	-	-	-	-	-	100.0%
Total School Other Fund Exp	4,187,625	4,187,625	2,892,041	351,501	944,083	77.5%

Year To Date Revenues Through December 31, 2019

	<u>Original Estimated Revenue</u>	<u>Revised Estimated Revenue</u>	<u>Actual YTD Revenue</u>	<u>Remaining Revenue</u>	<u>% Collected</u>
<u>Other Town Fund Revenues</u>					
Fund 1200 Total Special Revenue Fund	-	-	1,871,080	(1,871,080)	100.0%
Fund 1300 Total Capital Projects Fund	1,251,000	1,251,000	56,178	1,194,822	4.5%
Fund 1310 Total Capital Projects Fund	895,000	895,000	40,000	855,000	4.5%
Fund 1310 Public Safety Building	-	-	-	-	100.0%
Fund 1500 Total Cemetery Permanent Fund	-	-	1,832	(1,832)	100.0%
Total Town Other Fund Rev	2,146,000	2,146,000	1,969,091	176,909	91.8%

<u>Other School Fund Revenues</u>					
Fund 72xx Total School Special Revenue Fund	-	-	91,778	(91,778)	100.0%
Fund 7300 Total School Capital Projects Fund	-	-	-	-	100.0%
Fund 7400 Total School Capital Projects Fund	2,441,070	2,441,070	175,130	2,265,940	7.2%
Fund 7600 Total School Nutrition Program	1,746,555	1,746,555	771,742	974,813	44.2%
Fund 7800 Total School Scholarship Funds	-	-	1,722	(1,722)	100.0%
Total School Other Fund Rev	4,187,625	4,187,625	1,040,371	3,147,254	24.8%

	<u>Original Budget</u>	<u>Revised Budget</u>	<u>YTD Activity</u>	<u>Remaining Bal</u>	<u>Percentage</u>
Grand Totals Expenditures	100,811,509	101,293,486	64,703,951	34,190,945	66.2%
Grand Totals Revenues	100,811,509	100,811,509	82,261,942	18,549,567	81.6%

Town of Scarborough
Year To Date Education Expenditures
Through December 31, 2019

Education:	Original <u>Appropriation</u>	Revised <u>Budget</u>	YTD <u>Expended</u>	<u>Encumb</u>	Available <u>Budget</u>	Percent <u>Used</u>
Regular instruction	31,424,414	31,424,414	14,618,380.81	80,938.15	16,725,095	46.8%
Improvement of instruction	1,016,939	1,016,939	550,236.23	9,210.70	457,492	55.0%
Special services	4,700,486	4,700,486	1,826,749.61	94,473.43	2,779,263	40.9%
General & special administration	267,948	267,948	127,113.18	-	140,835	47.4%
Board of education	34,973	34,973	27,489.11	100.00	7,384	78.9%
Office of the superintendent	766,255	766,255	393,521.05	63.53	372,670	51.4%
Business administration	2,236,427	2,236,427	1,015,071.18	-	1,221,356	45.4%
Transportation	1,731,562	1,731,562	763,563.30	-	967,999	44.1%
Operation and maintenance of plant	4,003,876	4,003,876	1,840,869.84	44,825.89	2,118,180	47.1%
Adult Education	202,311	202,311	106,818.57	-	95,492	52.8%
Food Service Allocation	-	-	-	-	-	0.0%
Debt service	5,244,113	5,244,113	4,241,883.62	-	1,002,229	80.9%
Total Education	51,629,304	51,629,304	25,511,696.50	229,612	25,887,996	49.9%

<u>Selected Revenues</u>	<u>Estimated Revenue</u>	<u>Actual YTD Revenue</u>	<u>% Collected</u>
Excise Tax Collections	6,150,000	3,332,095	54.2%
State Revenue Sharing	1,252,000	701,496	56.0%
Rescue Revenues	1,250,000	625,000	50.0%
LRAP-Local Road Assist.	322,381	331,444	102.8%
Building Permits	475,000	250,208	52.7%
Investment Interest	165,000	55,114	33.4%
Plumbing Permits	45,000	25,143	55.9%
Electrical Permits	60,000	42,795	71.3%
Education Subsidy	3,366,032	1,661,487	49.4%

Town General Fund Revenues by Department

Executive (TM, HR, TC)	626,616	209,096	33.4%
Fund Balance	-	-	0.0%
Finance	6,311,525	2,581,294	40.9%
Property Taxes	21,295,864	21,295,864	100.0%
MIS	765,397	4,778	0.6%
Planning	688,603	342,895	49.8%
Community Serv	2,347,500	1,060,431	45.2%
SEDCO	-	-	100.0%
Fire Dept	1,420,500	686,379	48.3%
Police Dept	908,586	469,872	51.7%
Public Works	1,462,598	496,628	34.0%
Debt	1,768,585	-	0.0%
Intergovernmental	3,403,216	2,352,466	69.1%
TIFs and Interfund Transfer:	1,849,590	509,590	27.6%
	42,848,580	30,009,293	70.0%