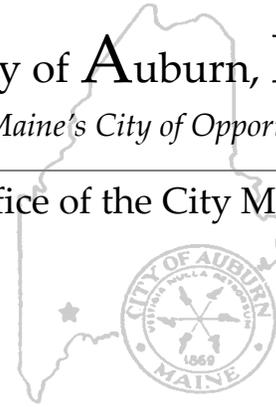


City of Auburn, Maine

"Maine's City of Opportunity"

Office of the City Manager



Budget Policy Considerations

The City Manager is recommending the Council consider the following items as the City Budget for fiscal year 2015 is reviewed. Each of these represent policy decisions that the Council should debate and if desired should take a vote to proceed. Some are potential cuts to costs and others are increases. In no circumstance should this be viewed as a complete list.

Staff is anxiously awaiting your direction.

1. **Assessing:** The Council has asked to consider outsourcing or contracting the service. The Assistant City Manager is still researching the information and options. As of the delivery of the budget it appears that contracted service would only result in savings if a reduction of service was implemented as well. Please understand the City would still need to appoint an assessor.
 - a. **Financial Impact:** Potential Savings undetermined.
 - b. **Pros:**
 - i. The potential savings would most likely be in benefits.
 - ii. Contracted service could focus more on inspections and personal property that is being under funded.
 - c. **Cons:**
 - i. Office hours open to public are estimated to be reduced by 2 days a week.
 - d. **Manager's Recommendation:** I would not implement and allow for more time for the Assistant Manager to recommend options.

2. **Recycling:** The solid waste committee recommended curbside, automated recycling and trash pickup. The approach in summary improves the amount of trash being recycled and has no impact on amount of trash being land filled.
 - a. **Financial Impact:** Cost to implement \$225,000
 - b. **Pros:**
 - i. Increases Recycling rates.
 - ii. Moves to a contracted model that in this instance is more cost effective.
 - iii. Consolidates waste and recycling in one vendor, which should yield better customer service.
 - iv. Transitions to a weekly recycling model that is more consistent than the current model.

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- c. **Cons:**
 - i. As a service expansion it will cost \$225,000.
 - ii. Understates the value of current waste to energy model. (Fact, a high percentage recycling community will recycle 35% of its waste and send 65% to a landfill. Auburn may only recycle 8% -10% buy 90% does not go to a landfill.)
 - d. **Manager's Recommendation:** I would place this as a high priority but delay implementation for this expanded service until more revenue is available or that tipping fees at MMWAC exceed \$55 per ton. Until then implement a 2 drop off model and measure rates as well as reinstate spring clean up. It is my opinion that the drop off model in Auburn will yield higher percentages than the fragmented curbside model currently in place.
3. **Fire and EMS Service:** The Council has a workshop with United on April 14th. The outcome of this meeting impacts City Service and the budget.
 - a. **Financial Impact:** Status Quo is a loss of \$100,000 in revenue. Staying with United on the new proposal also is a loss of \$100,000 in revenue but gains an improvement of service with a dedicated ambulance to Auburn. Converting to a fire based EMS service is projected to increase revenues over expenses by \$137,000 but is only a projection.
 - b. **Pros:**
 - i. Staying with United strengthens commitment to hospitals.
 - ii. New United model appears to be a foundation of a better relationship foundation. It is motivated out of safety and maximizing service.
 - iii. The financial risk with United is definite.
 - c. **Cons:**
 - i. The City is losing revenue if it stays with United.
 - ii. The financial risk with Fire is well researched by is not definite like the United models.
 - iii. Staying with United does not leverage the Fire Department resources.
 - iv. Staying with United means Auburn still must provide first response or take a significant reduction in service.
 - d. **Manager's Recommendation:** This is only the introduction or summary of what will be much more thoroughly reviewed on April 14th, so I have no recommendation yet.
4. **Staffing Levels:** Many times the level of staffing is an issue that is requested to be explored. The levels of staff in the management of the City are constantly under review. No position is filled until a discussion and review of operating models that could lead to efficiency and savings. Below is a list of possible options that almost all could not be implemented fully in this fiscal year. The concept that I am pursuing as manager is "multitasking", meaning, identify the areas where positions can be combined or duties redistributed to net a savings in total staff. HR is also working on a case by case basis to consider alternate work schedules or models.
 - a. **Finance:** The most likely option here would be integration with Schools. However, this will take time and cooperation. Staff is working on an MOU to outline the process of cooperation so that when opportunities present themselves a mechanism is in place to consider.
 - b. **Police:** Current cooperation on SRO's with the School, grants for a traffic division, and cooperation with outside agencies generate significant revenue to offset costs. The impact is that staff reductions in many cases could require a refunding of money. Further, all staff reductions with police in all instances are a reduction in service.

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- c. **Fire:** Fire per Union contract has a staffing model that exists in apparatus staffing. Apparatus staffing is a requirement to have so many people on each fire truck. In order to reduce staff apparatus would need to be reduced or changed. This results in a reduction of service or increases to other costs (i.e. insurance costs). As new apparatus is considered for replacement the ability to consider different choices to reduce staffing costs is always being considered. It should also be noted that reductions to staff while even considering an increase to EMS service is counterintuitive.
 - d. **Public Services:** Over the past decade this department, Public Works, has had significant reductions. From 70 employees in 1990 to 59 last year while increasing road miles and responsibilities. The efficiency obtained by combining Parks and Recreation with Public Works to create Public Services has been a dramatic shift. The savings will be challenging to document but the enhancement of services is a benefit. This department needs time to see how these management decisions will impact the service.
 - e. **Planning and Development:** This includes the departments of assessing, code, planning, economic development, and electrical. The creation of this unified structure does allow for closer review of staff levels. Concepts are being reviewed. The challenge in this department is that over the past year's staff has been reduced. With the department director's I have been working with staff on how to model the staff to fit the needs.
 - f. **ICT:** This is also a department where School cooperation needs review. The plan is to put in place a process to consider. I also work closely with the director to consider ways that this department can "absorb" pieces of other departments to reduce costs.
5. **Private Sector Contracting:** During the budgets
- a. **Financial Impact:** Unknown.
 - b. **Pros:**
 - i. Could save money.
 - c. **Cons:**
 - i. Could reduce services to attain the financial savings.
 - d. **Manager's Recommendation:** If the Council desires to pursue this aggressively, it should be a goal set during this budget. The outcome is that a report would be developed for each department requested on what could be achieved. I would suggest that the Council may want to consider a consultant to assist in drafting a final report. (Cost TBD but could range from \$20,000 to in excess of \$100,000 depending upon scope and number of departments to review.)
6. **County Tax:** Council has already directed staff to explore different models for County services, including leaving the County. Staff will prepare a brief, 50,000 foot level, summary.
- a. **Financial Impact:** Potential Savings could be significant.
 - b. **Pros:**
 - i. Saves money.
 - ii. Possibly enhances County services.
 - iii. Biggest benefit is the message that current dispatch and other County service review requests by Auburn are not getting serious consideration.
 - c. **Cons:**
 - i. Cost for transport of prisoners could go up.
 - ii. Auburn is currently the County seat.
 - d. **Manager's Recommendation:** Savings if any is in future years so continue with the research of options and consider next steps later.

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7. **Recreation Enterprise:** Set the goal that the division of recreation should aspire to develop fees and programs to transition 100% of its expense budget to a funding model that needs not general fund (property tax) support.
 - a. **Financial Impact:** Potential Savings of \$200,000.
 - b. **Pros:**
 - i. Reduces taxes.
 - ii. Creates a measure for all recreation programs to generate a profit or self sustain.
 - c. **Cons:**
 - i. Increases fees for programs.
 - ii. Could be a reduction or cancellation of some programs.
 - d. **Manager's Recommendation:** I fully endorse this policy. It may not be achievable for a few years but is a great goal.

8. **Special Events:** Aggressively pursue special events. Use the current staff levels to leverage stronger partnerships with event organizations; even consider revenue sharing models. Make Auburn an event destination all year long. Maybe start with the summer months and races, expand to weekend farmer's market in the downtown, or a senior's weekend Auburn, but do this by working with private entities to create and operate the event.
 - a. **Financial Impact:** Zero to operating, but economic impact could be great to private sector.
 - b. **Pros:**
 - i. Sets a tone of Auburn being a place to visit.
 - ii. Image enhancer.
 - c. **Cons:**
 - i. Staff support could become a drain on available resources. Hard to predict.
 - d. **Manager's Recommendation:** I would recommend that a brief plan be put in place to try this and see how it is received publically. Measure the costs and benefits for future consideration.

9. **Road Construction and Maintenance:** The City continues to need approximately \$4,000,000 per year in capital projects for roads for 10 years. However this number cannot be achieved within current debt capacity and sustain other capital needs in other departments. Further the City is doing no surface maintenance. In order to sustain roads and deliver quality service to the City I recommend the City bond a minimum of \$300,000 per year in surface overlays.
 - a. **Financial Impact:** A cost \$300,000 in bonding.
 - b. **Pros:**
 - i. Fixes more roads.
 - ii. Roads will be in a better condition in 10 years.
 - iii. Great customer service because more miles of road fixed per year so residents see greater benefit in taxes.
 - c. **Cons:**
 - i. Costs \$300,000 in bond capacity.
 - d. **Manager's Recommendation:** I recommend we fund the \$300,000 and with growth in value or increases in revenue, aspire to no more than \$1,000,000 a year in capital surface work.

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10. **Ingersoll Arena:** The Council will be reviewing this separately with the facilities needs of the City. However, I think it is important to keep this project visible because a use does need to be implemented. The ideas considered focused into two recommendations of the recreation committee: do not operate the facility as an ice arena and do repurpose the facility so long as it is a revenue producing venture.
 - a. **Financial Impact:** Risk of bonding the work and operating at profit.
 - b. **Pros:**
 - i. Sustains investments in the facility.
 - ii. Enhances the programs we can offer.
 - c. **Cons:**
 - i. Not guaranteed to be profitable no matter what use is selected.
 - ii. Too many ideas of what to do with the property. A firm commitment must be made to one use.
 - d. **Manager's Recommendation:** Again the future meetings need to occur to focus the issue. But with the data available and staff resources available it appears that an operational model could be drafted with minimal new staff costs. This increases the likelihood of success. Without a partnership with an outside agency or business the most probable use is a turf field. I would recommend bonding the needed improvements with the goal that revenues will pay the debt and operating costs.

11. **Snowmobile Clubs:** A request has been made to fund the snowmobile clubs with the revenue from the State we are reimbursed. The recreation did recommend to fund the clubs.
 - a. **Financial Impact:** A new cost of approximately \$4,000. This number fluctuates due to the number of snowmobiles registered.
 - b. **Pros:**
 - i. Supports the trails that are available to the public.
 - ii. Leverages private groups to enhance the City.
 - c. **Cons:**
 - i. Costs the city the revenue.
 - ii. No "unified plan" of what these funds will achieve.
 - d. **Manager's Recommendation:** Per Council practice I recommend that the clubs be charged to present a program that is funded in collaboration. At a minimum the clubs must present a single plan annual on how to utilize the funds for the betterment of Auburn. Although not in the City Manager budget I do support adding the cost with this objective.

12. **Councilor Administrative Assistant and FOAA Officer:** Requests for FOAA are currently processed through the Assistant City Manager or directly to Police. In addition Councilor requests for information are managed in existing staff workloads. In order to improve response time and return existing staff capacity to the core duties the Council should consider adding this full-time position.
 - a. **Financial Impact:** A full-time employee with benefits \$40,000 to \$50,000 total.
 - b. **Pros:**
 - i. Improves communication and service.
 - ii. Relieves current duties on existing staff to focus on other priorities.
 - c. **Cons:**
 - i. It is an increase to expenses.

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- d. **Manager's Recommendation:** I think this is a good idea but needs to wait for better financial capacity of the city.
13. **Museum LA:** Request to fund the efforts of Museum LA. The City Manager Budget did not submit the funded request.
 - a. **Financial Impact:** Cost \$37,500.
 - b. **Pros:**
 - i. Supports the operations of the Museum.
 - c. **Cons:**
 - i. This is a new expense to the City when funding existing programs is challenged.
 - d. **Manager's Recommendation:** I would recommend continued cooperation with the Museum to build a program that fits a specific Council direction and delay funding until that time.
14. **Intergovernmental Agencies:** The funding to these based upon the shared arrangement with Lewiston. My only non-financial policy recommendation is that these agencies will be requested to present budget requests moving forward with goals and performance measures for the Council to consider in the budget process.
 - a. **Financial Impact:** \$0
 - b. **Pros:**
 - i. Improves communication.
 - c. **Cons:**
 - i. Slight add to documentation needing during budget.
 - d. **Manager's Recommendation:** Implement
15. **Tax Sharing:** Two ideas exist within this policy. One, Auburn should continue to look at expanded tax sharing agreements with Lewiston. (Areas I would consider are downtown and retail areas.) Two, no references is made in State Statute allowing or disallowing excise tax sharing, but I feel this component of the airport tax sharing agreement should be reviewed.
 - a. **Financial Impact:** Saves \$11,000 to Lewiston and \$15,000 to Airport.
 - b. **Pros:**
 - i. Improves revenue.
 - ii. More sound policy approach.
 - c. **Cons:**
 - i. Reduces revenue to Lewiston and Airport.
 - d. **Manager's Recommendation:** I recommend that the City direct staff to review this with either the excise tax no longer being part of sharing agreement or that an area of roads that benefit transportation to the Airport be funded cooperatively. The issue is that road work for Auburn roads in this area are funded by Auburn but excise tax generated in this area is shared without a contribution to the transportation infrastructure.
16. **Storm water Fees:** Although only a concept pursuit of this new revenue model should being with a policy decision of the Council. There are many more impacts to research but we must start with a directive.
 - a. **Financial Impact:** Increased Revenue of as much as \$1,000,000
 - b. **Pros:**
 - i. Improves revenue.

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- ii. Places costs on properties impacting the system rather than shared across the entire tax base.
- c. **Cons:**
 - i. A new fee.
- d. **Manager's Recommendation:** I recommend we pursue with the attitude that a decision to implement would be decided after a comprehensive, citizen engaged process.