



**City Council & Citizens Advisory Committee
Joint Workshop
May 9, 2016
Agenda**

5:30 P.M.

- A. Overview of combined Planning and Development Operations Budget
- B. Discussion of newly defined staff positions and programs
- C. Discussion of CDBG/HOME Program Budget Draft and Relationship to Neighborhood Revitalization Plan
- D. Public Comment/Questions



**City of Auburn
City Council Information Sheet**

Council Workshop or Meeting Date: May 16, 2016

Author: Michael Chammings, Economic & Community Development Director and Eric Cousens, Deputy Director of Economic and Community Development

Subject: Economic & Community Development Department Budget

Information: This year we are proposing the combination of three departments, Economic Development, Planning and Permitting and Community Development, into a single department called Economic and Community Development. This transition started over a year ago after a verbal Council directive and we have been largely functioning under the proposed structure for a number of months, without the official formation of a new department. Council action is required under the Charter to formalize the new Department. The effort is motivated by the Council directive to reduce costs and meet financial challenges and to increase coordination in efforts to improve our community and increase taxable value. This structure works. It provides high quality services and a one stop process for residential or commercial development from concept to construction that considers all the City's needs in the decision making process and helps move projects to completion. This structure is lean and is constrained by the .7% CPI-U limit for funding and it minimizes general fund costs of the Department. An additional position could help in planning and economic development functions including providing staff support to existing committees and any new committees from other agencies and allow us to increase efforts to work with neighborhood groups. The structure recognizes that looking ahead is important but immediate opportunities and day to day services that are not as visible to Council remain a top priority.

Advantages: Reduces overall administration costs and streamlines project delivery to a single managerial structure. Leverages a 100% return on a \$100,000 TIF funded small business loan pool for total loan availability of \$200,000 to Auburn small businesses. Provides staff support to ABDC if LAEGC is unable to do so and could increase capacity to work with neighborhoods with one additional position. Formalizes policy to work with GIS Staff and secures staff time for E&CD Functions while reducing general tax burden for those valuable services. Takes advantage of and formalizes a new cooperative effort for business and workforce development with the School Department while reducing general tax burden for those services. Shift our focus to more heavily to downtown and community oriented development.

Disadvantages: Modifies some staff duties that will take some time and effort to implement as we shift our focus to more heavily to downtown and community oriented development.

City Budgetary Impacts: Shifts additional general revenue funded services to TIF and CDBG funding.

Staff Recommended Action: Review proposed budget and provide policy level direction to staff to finalize structure. Staff will implement the details. Consider adding one position to increase committee and neighborhood group engagement and to assist in day to day functions to expedite projects as volume continues to increase.



Committee Recommended Action: Pass along to Council for consideration. Some committee members expressed concerns that the budget proposal was informed heavily by financial constraints and additional capacity could be desirable. Provide CDBG and HOME budget caps for administration expenses for Council.

Previous Meetings and History: Community Planning and Development Council Committee Meeting April 21 and various Council meetings and workshops.

Attachments: Charter provision copy for department creation, Organizational Chart, CDBG and HOME administration cap memorandum, salary funding source summary, Information Sheet from previous Council workshop regarding department combination, CCI loan Information Letter.

resolution of removal, which may be effective immediately. If no hearing is requested, the City Council may adopt, by affirmative vote of at least five (5) Councilors, a final resolution of removal at any time after five (5) days from the date when a copy of the preliminary resolution was delivered to or unclaimed or refused by the City Manager.

The City Manager shall continue to receive his/her salary until the effective date of the final resolution of removal.

Sec. 6.6 Vacancy.

During a vacancy in the City Manager's office or during the absence or disability of the City Manager, the Assistant City Manager shall perform the duties of City Manager unless otherwise directed by majority vote of the City Council.

Article 7 - Departments, Offices, and Agencies

Sec 7.1 General provisions.

A. Creation of departments. The City Council may establish City departments, offices, or agencies in addition to those created by this Charter and may prescribe the functions of all departments, offices, and agencies. No function assigned by this Charter to a particular department, office, or agency may be discontinued or, unless this Charter specifically so provides, assigned to any other.

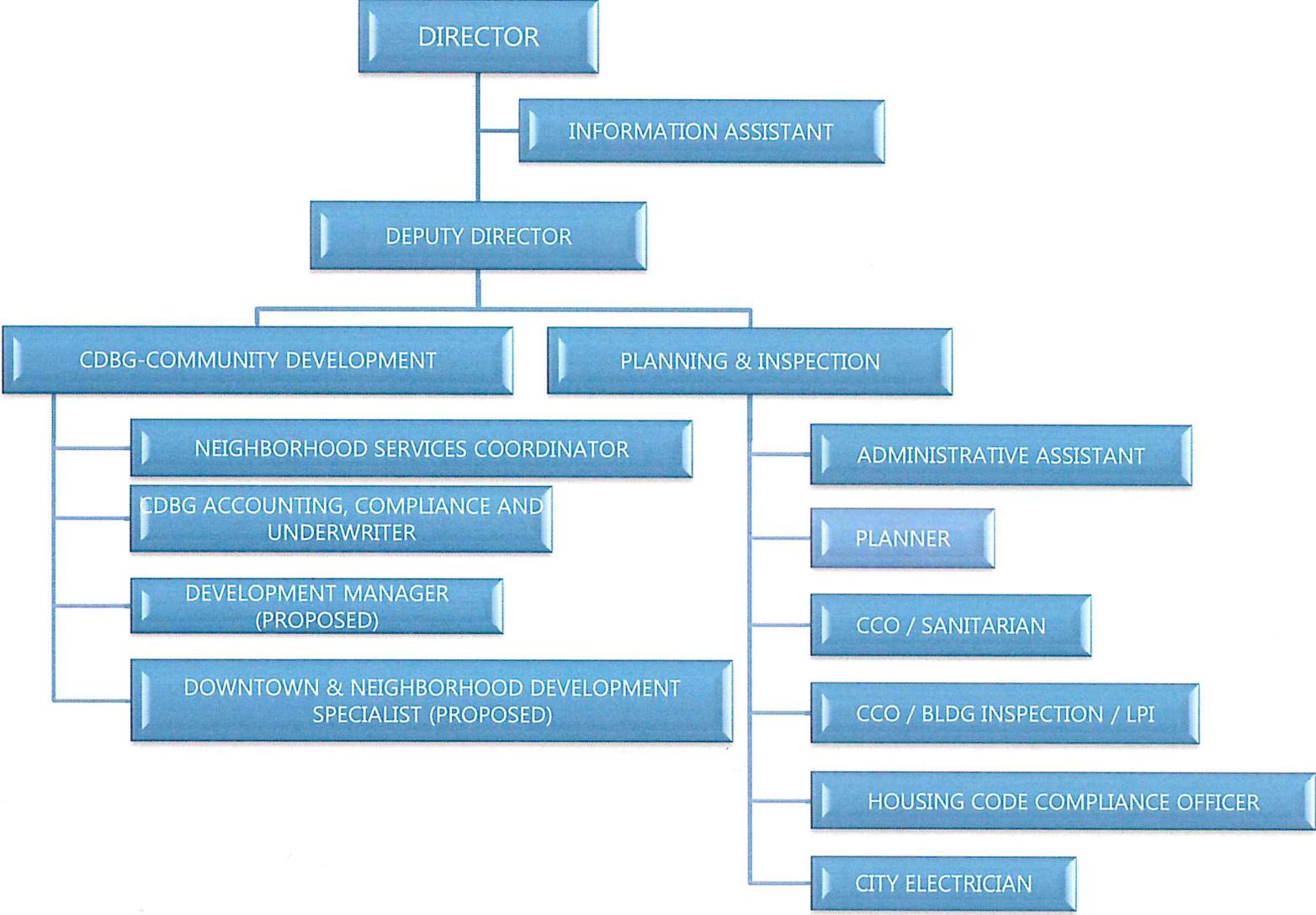
B. Direction by City Manager. All departments, offices, and agencies under the direction and supervision of the City Manager shall be administered by an officer appointed by and subject to the direction and supervision of the City Manager. The Mayor and Councilors shall direct administrative functions of the City solely through the City Manager.

Sec 7.2 Personnel system.

A. Merit principle. All appointments and promotions of City officers and employees shall be made solely on the basis of merit and fitness demonstrated by a valid and reliable examination or other evidence of competence.

B. Merit system. Consistent with all federal and state laws, the City Council shall provide by ordinance for the establishment, regulation, and maintenance of a merit system governing personnel policies necessary to effective administration of the employees of the City's departments, offices, and agencies.

COMMUNITY PLANNING & DEVELOPMENT (proposed)





TO: Mayor Labonte and Members of the City Council
FROM: Reine Mynahan, Community Development Director 
RE: Community Development and HOME Programs Administrative Caps
DATE: May 5, 2016

Community Development Block Grant

The administrative cap for the Community Development Program is based 20 percent of the new grant and FY2016 program income. In FY2016, the cap is as follows:

2016 CDBG Grant	\$511,800
Projected Program Income	<u>240,223</u>
Total	\$752,023
Maximum Administrative Expense @ 20%	\$150,405

The proposed budget for goods and services, \$14,100, must be charged against this cap.

HOME Investment Partnerships Program

The administrative cap for the HOME Investment Partnerships Program is based on 10 percent of the new grant and projected program income. The 10% maximum of the new grant is split between Auburn and Lewiston on a 70/30 ratio with Auburn receiving 70%. The grant is split 50/50. In FY2016, the cap is as follows:

2016 HOME Grant/Auburn	\$168,137
Projected Program Income	<u>281,985</u>
Total	\$450,122
Maximum Administrative Expense @ 10%	\$45,012

The proposed budget for goods and services, \$2,500, must be charged against this cap. Furthermore, the only salary expense that can be charged to HOME funds is for costs incurred in administering HOME activities.



City of Auburn, Maine

Office of Planning & Development

www.auburnmaine.gov | 60 Court Street

Auburn, Maine 04210

207.333.6601

To: Auburn Mayor and City Council

From: Eric J. Cousens Deputy Director of Planning and Development

Re: Budget Drivers and salary sources for the Economic and Community Development Budget

Date: May 9, 2016

Salaries in the proposed budget with the combination of the three departments into a single Economic and Community Development Department total \$752,161.00. With a total budget proposed of \$1,851,302.00 salaries represent approximately 41% of the total Department budget. The other three major components of the total budget are electricity for street lights and traffic signals at \$336,161, Workforce Development at \$476,000 (100% TIF) and a proposed 50% match for small business loans at \$100,000 (100%TIF).

Currently proposed Salary Sources:

1. Of the \$752k salaries line, TIF funding is proposed to cover \$201,397 or 27%.
2. Of the \$752k salaries line, CDBG and HOME funding is proposed to cover \$254,127 or 34%. You will notice that this exceeds the administrative cap of the two programs. \$50,000 of the \$254k is a Code Compliance Program that does not count against the administrative cap. Many of the staff hours accounted for in the budget will be serving an approved Program or dedicated to the completion of an eligible Project and will be accounted for as such. This will remove the cost of those hours and fringe benefits from the administrative category and place them in the project or program budget. Staff will manage this to ensure we do not exceed the administrative cap.
3. Of the \$752k salaries line, General Fund funding is proposed to cover \$296,637 or 39%. It should be noted that activities in the department also generate special revenues that go back to the General Fund. We anticipate nearly \$200,000 in the current year and potential for more depending on some large projects anticipate for FY17. Staff also suggests that we look at our permitting and Delegated Review Fees that have been the same since at least 2013 for an adjustment to increase revenues in FY 17.



City Council Workshop Information Sheet

City of Auburn

Council Workshop Date: June 17, 2013

Item I

Author:

Item(s) checked below represent the subject matter related to this workshop item.

Comprehensive Plan **Work Plan** **Budget** **Ordinance/Charter** **Other Business*** **Council Goals****

**If Council Goals please specify type: *Safety* *Economic Development* *Citizen Engagement*

Subject: Community Planning and Development Organization Chart

Information: City Manager and staff have discussed ways to improve operations and communications Economic Development Department efforts. One method that we have seen successful in similar sized municipalities is having one Director overseeing Economic Development, Community Development, Assessing, Planning and Code Enforcement Departments. These departments tend to work in coordination on various projects and endeavors. Under my proposed structure the Economic Development Director would serve as the Department Head for the new Community Planning and Development Department responsible for overseeing the day to day operations and long range planning efforts for each division.

Financial:

Action Requested at this Meeting: Discussion

Previous Meetings and History: 3/11/2013

Attachments:

Organization Chart
Job Descriptions

*Agenda items are not limited to these categories.



240 Bates Street
Lewiston, ME 04240
Phone (207) 795-4065

17 Market Square
South Paris, ME 04210
Phone: (207) 743-7716
www.cfcmaine.org

March 17, 2016

Michael Chammings
Economic & Community Development Director
City of Auburn
60 Court Street
Auburn, ME 04210

Dear: Mr. Chammings

I appreciate your reaching out to acknowledge the work we here at Community Concepts Finance Corporation are doing. We are very proud of our growth over the past few years and look forward to continuing that growth and hope that we can partner with the City in ways that will help you in your new position.

As we discussed earlier, CCFC would be happy to partner with the city to provide access to capital for businesses that are already here or looking to move to Auburn. As in all relationships like this someone must place a proposal on the table to move forward so I propose the following.

The City of Auburn would provide an amount of lending capital to CCFC to lend in the city of Auburn and CCFC would commit to an equal amount of dollars to be lent (up to \$200,000 initially) in the City of Auburn from other sources over the same time frame. There would be no cost to CCFC for the funds and there would be no fee to the City for the management or servicing of these loans. CCFC will provide twice per year a financial report detailing the status of loans made by CCFC from this pool as well as the matching loans made by CCFC from other sources. The CCFC Board of Directors will need to approve the final plan once negotiated. CCFC has the ability to work with the City to meet the needs of the funds provided whether they are from a Tax Increment Financing source, CDBG funds or others.

Yours in Service,

A handwritten signature in black ink, appearing to read "Glen E. Holmes", written over a horizontal line.

Glen E. Holmes
Director of Business Lending