

City of Auburn

FY 15/16 Budget Questions

1. What is the mil rate allocation to the current solid waste system and to the current recycling system?

Answer: Our current system has weekly collection of solid waste and a twice a month collection of recycling:

FY 15 Costs:

Collection	\$430,291 or \$0.22 of the mil rate
Disposal	\$217,500 or \$0.15 of the mil rate
Recycling	\$98,000 or \$0.05 of the mil rate

FY 16 Proposed Costs:

Collection	\$441,048 or \$0.22 of the mil rate
Disposal	\$307,500 or \$0.19 of the mil rate
Recycling	\$102,000 or \$0.05 of the mil rate

2. What will the mil rate be under the proposed automated solid waste and recycling system?

Answer: Please note these are just quotes based on the automated program being proposed and the traditional cost figure below is an estimate on what the costs would be if we went out to bid today for an every week curbside collection of both recycling and solid waste.

Automated year 1 cost would be	\$680, 576 or \$0.34 of the mil rate
Traditional year 1 cost would be	\$822,016 or \$0.41 of the mil rate

3. What is Norway Savings Bank Arena staff doing to promote the use of one floor this summer? Please provide the timeline when ice will be taken out and what staff is doing to utilize this space.

Maybe there is a chance that we could put together some type of a promotion working with the city and with some contractors, maybe something with the mall businesses, again some type of a promotion...

There are some other possibilities that we could rent a couple of weekends maybe more, looking at possibly a gun show, boat show, car show, and maybe some type of a music concert...

Answer: We plan to ice-out rink #1 (concrete floor) on April 17th and put the ice back in on June 17th. This leaves us roughly 2 months to do necessary repairs and maintenance that may be needed. The arena staff developed a variety of potential applications for the concrete floor. They ranged from tennis, lacrosse, baseball, and soccer. With the athletic nature of these applications and the

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approval of the Ingersol repurposing, and our budget shortfall for FY15, we did not feel it would be in the best interest of the arena and the city to invest on the materials needed to make these opportunities possible.

We are open to the potential of hosting an event like a boat show or auto show. We have spoken with L.A. Harley Davidson to gauge their interest in doing something of this nature in the future. We would also like to work with city management to develop the contacts necessary to bring these types of events in during April and May.

4. Please provide the breakdown of when public skate sessions are offered at the Arena. How are you calculating the \$20,000 revenue figure in the budget? Does Arena Management have plans to expand Public Skate opportunities?

Answer: Fy15 offerings were held on Wednesdays and Sundays with some additional holiday and school vacation offerings. Based on providing 100 offerings per year with an average of \$300.00 per session, we developed an estimated \$30,000 in revenue. We are planning on increasing offerings during school vacations and teacher workshop days in an effort to increase the budget line. We have already added a Friday night public skate session for the month of April and the summer months. Currently, our year to date total on Public Skate revenue is \$21,170. We have also attached our public skate deposits for this current year.

5. Under Repairs you have ground repairs and maintenance at \$20,000, why and what's the breakdown?

Answer: Ground repairs cover our snowplowing and any unforeseen repairs that may arise. Our winter snowplowing for this past year was estimated at \$15,000 and the remaining \$5,000 budgeted for any additional issues. We would also like to improve on our landscaping esthetics.

6. Under supplies you have Operating Supplies at \$10,000, why and what is the breakdown?

Answer: Operating supplies includes the ice paint (\$4,000), replacement rink shielding (glass) (\$1,500), board brushes (\$400), edger blades (\$100), and blade sharpening (\$4,000) round off this item line.

7. Under programs you have Coaches at \$10,000. What is this for? How many coaches? Please provide a breakdown.

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Answer: Each of our programs, Learn to Skate/ Play, skill development, youth training camps, requires ice coaches. This total was developed as a rough estimate as we cannot accurately gauge interest. The number of coaches will be based on enrollment numbers. We estimate our learn to skate coaches (6) for Spring and Summer for \$4,000 and our youth programs(8) at \$6,000. Again, this number has the possibility of fluctuating either up or down depending on enrollment.

8. Under Capital improvements you have Building at \$20,000, why? Please provide the breakdown.

Answer: This is an emergency fund for unforeseen long range repairs, upgrades, or expansion possibilities.

9. Under Capital Improvements you have Equipment at \$10,000. What is the new equipment and why?

Answer: The warranty period on the refrigeration plant has expired. With the vast amount of moving parts, we have to plan for potential failure and the possibility of replacement. For example, a new compressor in our system costs \$18,000. This does not include installation. We may also need a water quality treatment system to ensure the longevity of our equipment. With untreated water the cooling towers efficiency is reduced and the life expectancy is shortened significantly. We have spoken with a cooling expert that feels we have a significant need for such a system. With the amount of motors and pumps that this plant has, it is in our best interest to plan ahead for these to be replaced as well. The cube system is relatively new technology and the life expectancy is somewhat undetermined, only time will tell.

10. Can we invest some of our funds in some higher risk stocks that would give us a better payback?

Answer: The City has a very strict Investment Policy and the only things we can invest in are CDs and US Treasury Investments. The issue with these is that the funds are less liquid.

11. Is there investments where we make that would be safe and more profitable?

Answer: I will investigate other investments to see what the return rate is and see if any of our funds could be invested in them.

12. Are we leasing any of the vehicles for the EMS program?

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Answer: We have a Lease/Purchase agreement on the 3 ambulances. We signed a 5 year lease and in FY 15 we paid the first lease payment. At the end of the 5 years we will own the ambulances.

13. Did we purchase any vehicles for the program? If we purchased any of them could you please provide the cost of each one?

Answer: The total cost of the 3 ambulances was \$578,025. The prices were \$205,438, \$204,978 and \$172,609.

14. Are school resource officers included in this Police Department budget? If they are added into this Police Department structure, why does the school department pay for four of the school resource officers? It looks like to me in the Police Department's report there is \$199,855 is this the total cost? If we are paid from the school department why do we show this number?

If the school department is paying their share this number should this be reduced?

Answer: We need to show the expense and the revenue. The expense is in our salary line item and the payment from the school is in the revenue section. We are entering our third year and final year of the original MOU with the school department. They are paying 3% more this year however it does not cover the entire cost for SRO's.

Questions 15-30 are related to the Police Department Budget:

15. Police positional structure: Could you tell me who is non union and who is union?

Answer: Patrol Officers, Corporals, and Detectives belong to the MAP Patrol Union (40); Sergeants and Lieutenants belong to the MAP Supervisor Union (12); Information Assistants and Police Planner belong to the MSEA Union (3); Court Officer, Crime Analyst, Evidence Technician, Executive Assistant, Deputy Chief, and Chief are not part of a union (6)

16. Educational incentive: How much did we spend last year in this line item?

Answer: \$6,615 – We budget based on what the staff submits to me in December for the cost of classes they plan to take. Most years, what is submitted exceeds the \$12,000 we have budgeted. We have some years where

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they have decided not to take a class and the account is not fully used and some years their reimbursement must carry over to another year because we have spent our budgeted amount.

17. Command Allowance: What is the number of command office we have?

Answer: 15

18. Bulletproof Vests: I see this every year. Doesn't this type of vest last longer than one year? (9 at the cost of over 3,000.)

Answer: The vest lasts 5 years and is then unsafe to wear. We have 54 vests issued – each is required to be tailored specifically for the officer. A replacement schedule requires 11 vests be replaced every year. I bring that down to 9 to account for people retiring/leaving. I am only budgeting 50% of the cost. We are fortunate to receive a 50% matching grant every year.

19. Sharp Containers: I know it's only \$14.00 but its every year. Buy 20 of them and we won't see them in your budget for five years.

Answer: At times there are new requirements as to the safety design of the containers so we don't buy in bulk to only have some we can't use. It is recommended to dispose of these once full. Unfortunately, we collect a lot of needles through arrests and calls from the public relating to needles found in the parks.

20. OT- Regular: I would like to see a report on how many emergency holdovers we have done this year?

Answer: We do not break out the OT-Regular account into the categories with the MUNIS accounting system. We could go through the weekly timesheets and get that information but it could take some effort. Unfortunately, officers will get calls 30 mins prior to ending their shift and the call may take over an hour requiring the emergency holdover. These are not planned and the supervisors and officers do their best to hold a call if it is not an emergency so we are not

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having the OT. This account is very small as compared to other agencies because of the oversight we give to this. Please advise if you want staff to do a report.

21. OT- Vac Replacement: Maintain minimum is what number?

Answer: Typically it is four during the day and five at night with one supervisor on each shift.

22. Who dictates that number and why?

Answer: As Chief, I dictate the number with a policy based on an analysis of critical calls, our coverage area, and the types of calls. I am actually operating below best practice. Days should be five, nights between certain hours should be seven and supervisors should be two.

23. Would this number change, day, night, and weekends?

Answer: The number does change – I authorize to reduce the minimum staffing level to 3 between 3am and 6am. We do not change by day because our call volume is primarily consistent each day.

24. Sick- Replacement: Who makes this call, and if it was a day shift could we get by without a call in?

Answer: It is based upon the minimum staffing levels outlined above.

25. I like to see some saving in this OT, many dept. have to work shorthanded when someone is out sick.

Answer: We work shorthanded as well but we do not go below the minimum staffing threshold. We are not like other departments that can put off a project until staffing is available. Our call volume dictates the staffing level.

26. OT- Court: Would it be possible for you to get us a report for the hours we have spent in the court room up to now? \$ 30,000 is a lot of money.

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Answer: Cost to date is \$28,830 with three months remaining.

27. Animal Control: Uniform cleaning is this only for one man? If it is, what would it cost us to buy him one uniform? \$21,700 could buy a lot of uniforms or maybe we could buy some coveralls to save their uniforms.

Answer: This is not part of Animal Control. This is the cost for the entire sworn department. It is just the line item that happens to precede Animal Control.

28. Reports, Printing, Binding: Question, every year we buy MV LAW, and CS Law at 25 x 25x2=1,250.00 do these change every year? Would it be possible for us to copy them to save money?

Answer: Yes, unfortunately they do change every year. We are not allowed to copy them without violating the copy right laws.

29. Other Sup- Operating: Every year 1,050.00 is budgeted for Tasers could you explain why? Doesn't a TASER last longer than a year?

Answer: This is the replacement schedule for the Tasers. Our tasers do last longer than a year. We try to get four years out of them. We purchase the extended warranty which is three years. We try to get an additional year beyond the warranty. According to the replacement schedule, we should be buying three tasers a year. We have a total of 12 tasers which allows us to keep three as spares for when one is not useable and this allows us to transfer the spares into everyday use when needed and brings our replacement from three down to one.

30. Vehicles: This expense for cars is it the only place we are going to see cars this year in any budget, CIP or any other budget?

Answer: I agree this is confusing – we are still required to list the vehicles under the CIP Plan. Vehicles are not bonded and if you look at the CIP plan, it should note the funding source is operating budget not bond.

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31. The City Council passed a resolve stating it would no longer adopt budgets that subsidized dispatch/911 services for other entities. When will staff act on that resolve?

Answer: This occurred under the previous City Manager and the current administration will seek legal counsel on this matter with a goal of bringing a recommendation back to the City Council for discussion at a meeting in May.

32. How do we manage property insurance between school and municipal facilities? Are there market benefits from doing this together if we do not now?

City Answer: The City and School have separate Property and Casualty Policies. This has been the practice since I came on board with the City, on the City side we have MMA and have done very well over the last 2 years, receiving premium reductions each year respectively. City and School share the same Workers' Comp program. I cannot say for certain that there would be any benefit to combining, or if it would be more costly. If the School Department agrees to it, it is something that could be investigated. Jude may also have some insight as to if this was looked into previously. The School Dept. is working on a response to this question and we will send it out as soon as we receive it.

School Answer: Property insurance for school dept includes a comprehensive insurance package with the following products coverage:

- Property and Casualty including Loss Payee
- Data and Equipment (refrigerants)
- Commercial General Liability
- General Liability Hazard Schedule
- School Leaders Errors and Omissions Coverage
- Sexual Misconduct and Molestation Liability Coverage
- Employee Benefits Coverage
- Equipment Floater Coverage
- Unscheduled Equipment Coverage
- Crime Coverage
- Business Auto Coverage
- Umbrella Coverage - \$2million Limit

In the State of Maine, there are basically three carriers that are license in Maine to insure School coverage. They are, Liberty Mutual/Peerless,

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Trident/Massamount, and One Beacon, who recently was bought out by Hanover Ins of NH. Maine School Management Association,[MSMA] is a key player in school insurance coverage and is real competitive in this market, as well as other insurable products offering.

Our current agent is Cross Ins of Westbrook and have one year remaining on the three year contract. Next spring we will solicit for carriers for an effective date of 7/1/16.

33. How do we currently handle cleaning/maintenance contracting? Have we looked at fully privatizing this work? It is my understanding that the School Department bids for its own cleaning in Auburn Hall, despite every other city department in Auburn Hall being under a city contract. Why is that? Also, I understand the School Department bids each facility it controls separately? Isn't there economy of scale from bidding as one contract for ALL public facilities?

City Answer: Currently we contract with one cleaning vendor for Auburn Hall. The school contracts with the same vendor for cleaning the 4th floor. For security and accountability, it is important that we keep only one vendor for cleaning in this building. So, although we have separate contracts they are with the same vendor, if combined in one contract I don't believe the price would change unless the school has special provisions, extra cleaning needs, etc. that we do not. The Fire stations, Public Services, and Recreation provide cleaning and maintenance in house. Maintenance for Auburn Hall is a shared position with the Library. It would not be my recommendation to privatize maintenance, due to the age, complexity, and condition of our facilities. There is a considerable amount of institutional knowledge on staff, excellent customer service, quick response time, and a "taking ownership" of the facilities that would be lost to privatization. The School Dept. is working on a response to this question and we will send it out as soon as we receive it.

School Answer: It is the same cleaning company, but school is responsible for the cleaning of its area. When we solicited last spring for Cleaning Services RFP, city's current contract term did not allow for rebidding at that time. There may be an economy of scale for the city, and if city elects to be included in our next bidding process, we would welcome that.

We have a current labor contract agreement in effect that assures our employees employment protection. Through attrition and over time, we have

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subcontracted this service in locations where there is less impact on students. We currently have 4 separate cleaning companies. Who provide cleaning services at the equivalent to 9.5 FTE. Our RFP is designed to allow for vendor to response to all locations or select locations that best meets its performance capability. We contracted with 4 vendors and we are using this school year as our opportunity to evaluate each vendor and determine who is best to meet our cleaning needs. As a few of the vendors are realizing, cleaning a school is drastically different then cleaning a business. One of our 4 vendors is experiencing difficulty and depending on the outcome of the next facility cleaning evaluation, may not be invited to continue the remaining of the contract term.

34. In previous budget cycles, the Council has asked about energy efficiency/alternative energy options that other municipalities have pursued. In fact, Jim Wellehan, a local businessman, offered to meet with city staff to discuss. Where did this end up, as no report was ever made back to the City Council.

Answer: I have spoken with many different companies and individuals regarding alternative options or possibilities. In fact, I spoke with a gentleman this morning about the possibility of purchasing clean energy from a solar farm that could be built in the near future. Due to limited resources and staff, there is a significant back log of deferred maintenance and capital needs. Our focus has been to attack the “low hanging fruit” and attempt to get our houses in order, so to speak. First repair what is broken, in need of replacement, or extremely inefficient and then seek alternative energy possibilities. An example would be the highway garage, if we would have looked to power that facility with solar prior to all of the recent efficiency upgrades the facility would have needed over 40% more power from solar than in its current condition. Obviously this would have significantly increased the capital cost to implement.

The City of Auburn would be a great candidate for renewable energy and I would be 100% on board with any alternative energy projects that make sense. We do have some great locations for multiple applications; Solar, we have multiple building sites and landfills. Hydropower, the river in our back yard. Wind, a

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potential site at Gracelawn. Or Cogeneration technology that has vastly improved over the past few years, and something we could look at for City Hall.

What I have seen from a lot of City's or Town's is an energy policy or a chapter on energy in their Master or Comprehensive Plan that is tied to specific goals. Such as Energy reduction, a reduction in the cost of energy, Carbon Footprint, or producing XX amount of Kilowatts by a certain date from renewable energy. Typically there is also an energy committee that assists with recommendations. I quickly looked through Auburn's comp plan updated in 2010 but did not see anything specific to energy.

Currently, without any of these pieces in place, one approach would be to put out an RFQ for companies to provide the City of Auburn with potential solutions. This RFQ will not cost the City any money and will allow a team of staff, a committee, or combination of, to review the options submitted and either make a recommendation to move forward with a vendor, or determine that none of the submissions are feasible at this time. If directed to move forward, the selected company would then provide the City a proposal for their services, this would include the type of project (s), potential funding options, and ROI.

35. The City Council has inquired during the last two budget cycles for the possibility of pooling health insurance purchases between the municipal and educational side. What is the result of the analysis of possible savings, including how workplace wellness could control the rate of premium increases?

City Answer: Clint Deschene and I met with the Steven Gove, Director of the Maine Municipal Employees Health Trust, to determine if it would be possible to include the School Department as part of our active employee group. It is the current policy of MMEHT to not include School Department members on to any municipal plan. Absorbing School employees in the MMEHT plans would pose some serious challenges from an actuarial standpoint. There are many more School Department employees than municipal employees and the retiree group is also significantly larger. The retiree group is where the greatest costs are incurred. Also, teachers are not covered by Social Security and Medicare and therefore teachers remain on the health insurance without offsets from Medicare.

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Whether School Health Plans cover any municipal employees is something that I will research. All union contracts now include the PPO 500 Plan, under which the City realizes significant savings. As these contracts mature, there will be an opportunity for the City and the School Department to explore joint purchasing of the private health insurance market. The private market may be more interested in submitting bids on a larger employee pool. The School Dept. is working on a response to this question and we will send it out as soon as we receive it.

School Answer: Certainly can look at workplace wellness – it would be difficult to bid for health insurance for one due to our experience mode including our retirees – you certainly can have our information to discuss it with your insurance carrier – the municipal insurance option will not insure school employees.

Also, there may be a bigger issue here, in that, the MEA Trust is spelled out specifically in our CBA and would entail bargaining with each union to make a change.

36. Do we provide total compensation letters to ALL employees of the City of Auburn, regardless of department? If we do not, we should begin that immediately (for calendar year 2014) so all employees know the total investment the community is making in their employment, beyond just salaries. This is a critical starting point for how we manage staff compensation going forward to be competitive.

City Answer: The Human Resources Department prepared benefit letters for all regular full-time and part-time employees (exclusive of School Department) in 2014 that included total compensation, including the employer's cost of the employee benefit package. We will prepare similar letters this 2015.

School Answer: The information is not included in their annual compensation letter, but it is reflect on their bi-weekly paystub, showing the employer cost associated with health insurance, Medicare, Soc Sec, if applicable, MEPERS and leave benefits[Bereavement, personal days, sick days and vacation days[if applicable]

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37. The City Council has inquired during the last few budget cycles how the municipal operations and school operations could combine back office operations, including HR, and see synergies in that work. What is the progress in reviewing this objectively, as no report has ever come forward?

City Answer: The City and the School have not met on a regular basis to discuss potential collaboration projects regarding HR functions, but work on projects as they come up. For example, the City and the School Department are currently working bids for Workers' Compensation coverage, including traditional Workers' Compensation insurance and the self-insured model and the options for coverage for only School Department, only City Departments and combined School and City. The Safety Coordinator includes the School Department in all mandatory safety training conducted at Auburn Hall, most recent example being the VDT/Ergonomics training conducted by Cross Insurance, our third party administrator for Workers' Compensation. There are School representatives on the City Safety Team. The City facilitated a change in its supplemental retirement plan to allow school employees an alternative deferred compensation plan.

School Answer: Howard and I have not had an opportunity to explore back office operations.

38. As a nonprofit, the City needs to determine if funding most of the operational budget through a "grant" is still the most effective long term. What services are we buying in this grant to the APL? Have we quantified how these services and programs are integrated with other services and programs of the city and how do we measure that success in this grant?

Answer:

- The funds that the City provides to the Library are used for a full-service public library which serves all ages – from cradle to grave. We provide services that educate, inform, and entertain.
- Overall we receive approximately 80% of our funding from the City. That is on par with what many other libraries, especially those of comparable size, receive from their municipalities. The Library works with the City in a number of ways. I attend City admin meetings to ensure that there is two-way communication so that the Library can be ready to jump in when needed. We provide meeting space at no charge for City functions held at the Library. We make sure that recordings of all City meetings are available to the public

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to view and borrow. We work to communicate about city events to our customers. We provide research if requested. We work with the Rec Department to include their campers in our summer reading program. We work with the schools on programming. We collaborate with social service agencies that the City works with to provide programming and information to our customers.

- We start with programs for newborns, which are often their first exposure to the development of good literacy skills, helping them get ready for school. We provide materials and programs to supplement school curricula and extend beyond academic interests, especially with our Summer Reading Program which serves more than 600 kids each summer. We serve adults in a number of ways through our programming for individuals, groups, and businesses. For example, we collaborate with local organizations like Safe Voices for our teens. We have worked with SCORE and local businesses (Dojo Digital and Next Level Business Coaching, for example) to provide free educational programming and resources to businesses.
- We keep statistics that help measure our success such as the number of visits to the Library, items borrowed, program attendance, reference questions answered, etc. We also endeavor to measure the impact that our services. Currently most of that is anecdotal – how we made a difference in one boy’s speech and social development, how we made a difference for one immigrant who was interested in professional video production, and how the library made a difference for one young author who recently received national recognition for her writing. We are working to refine our measurements so that we can gather additional information like this. However, right now we are happy to report that we have nearly 220K visits each year, hold nearly 900 programs in and outside the library with approximately 16,000 attendees, circulate 245,000 items per year, and have more than 35,000 sessions at our public computers. Through the yearly reports that we are required to file with the Maine State Library we can compare our services and numbers with all Maine libraries. APL is one of the top six libraries in terms of population served.
- The Library is also sought out as a partner in local, regional, and state efforts. The Library was recently selected to be a pilot library for an organization working with the Maine State Library to develop family-oriented STEM programming. This project is being funded with a \$1M+ national grant and

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APL is one of three libraries in Maine participating. This will provide us with professional development, programming opportunities, and access to resources at little or no cost to us. We will be able to share these programs and resources with APL customers.

39. Human Resources support, as well as other municipal services, are provided in kind to the APL. How do we account for these services to a non-profit that is not a city department?

Answer:

- The primary HR service that we receive from the City is payroll preparation. This is not an unusual arrangement for non-profit libraries to have with their municipalities. It is an efficient way to operate since there are economies of scale of joining a smaller staff with a larger one for such services. I recently did consult with Deb Grimmig with regard to medical leave as we have an employee scheduled to be out at the end of the month.
- We receive plowing and sanding during the winter. The APL parking lot is not only a public parking space but it is also shared with the City's electrical department.
- Our everyday maintenance is performed by our maintenance coordinator whom we share with the City and pay half of his salary, expenses and benefits. When needed supplies are purchased, we are billed for them by the City.

Answer from HR:

Several of the joint agency (including 9-1-1, Airport, LAWPCA, and the Library) call me for assistance with personnel related issues, policies and to be a sounding board for confidential matters. I have never kept track of my time and consider it professional courtesy to assist another Department Director. There are a few situations that go beyond the occasional free advice:

- One is the Airport. Airport employees are included in the City's random DOT drug testing pool. When Airport employees appear on the monthly list to be tested, I schedule the appointment and send notification to the Director of the date and time of the appointment. I advise the Director of the results of the test. If it is a positive test, I arrange for the assessments, counseling and follow-up testing. The Airport does not contribute to the cost of the third party administrator to maintain the random pool, because the City would

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have to pay this cost anyway. I have not kept track of my time, but can in the future if this is now required.

- I schedule the pre-employment physicals for Airport employees and forward the results to the Airport Director. The Airport pays for any costs resulting from the pre-employment physicals.
- 9-1-1. For several years I participated in contract negotiations with the 9-1-1 Director and a member of the 9-1-1 Board. I asked not to be included with the current negotiations, since I had been involved for the past 10 years or so.
- GFTV – These employees are on the City’s payroll and benefits package. The City provides the same support to these employees as we do any other employee.
- Library – Mamie attends the Administrative Team meetings which are held most Tuesdays immediately following the Council meetings. We generally discuss issues that come out of the meeting the previous night and discuss items for the upcoming Council meeting. We discuss any other items that effect the small departments etc. She is a great asset to the City and it is a good way for her to stay connected in between Department Director meetings. The Library tries to align its pay and benefits with the City and this is an opportunity for her to keep up with what goes on with staff.

40. What is behind the \$200,000+ administration budget of the APL? Are there more efficient ways to manage the facility and its programs/collections?

Answer:

- Administrative expenses include the salaries and benefits of the Director, Bookkeeper, Development Coordinator, and Maintenance Coordinator. Only the Director is full-time. The Admin Department is responsible for approximately 24% of operating expenses, based on activity and space used.
- We are constantly looking for ways to be more efficient. We have minimal staffing. We work with a good combination of full- and part-time personnel. Many of our employees are cross-trained to work in different departments. Because of the design of the building and the structure of our departments, we require a minimum of five people in the building to operate. At times that is all we do have available to us. Many of our employees are cross-trained to work in different departments. We use volunteers as much as possible to help shelve books, work with our website, assist in program preparation, provide programming, and more. In FY14 we recorded nearly

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3,500 volunteer hours. That's the equivalent of a 1.79 FTE employee. If we had to pay for that help it would be at least \$50,000 for salary and benefits.

41. City-owned property – In the interest of maximizing tax base in the City of Auburn, what is the status of all current, publicly owned land in terms of its need in the city for public purposes or its opportunity to be sold to grow tax base? Staff was to return in the spring with details on how we might make lots available for redevelopment, new home construction, and commercial use. Note: This is NOT me suggesting simply selling to abutters as our Community Development Director has suggested multiple times in this past. Such an approach is terribly short-sighted as it diminishes our ability to maximize taxable value should an investor wish to place a home or other building on such lots.

Answer: All City owned property or all current, publicly owned land is a much bigger question than just tax acquired property. The piece that I was asked last year to organize was the tax acquired properties so the Council could consider disposition of those that the City did not have a specific use planned. We found out well into that process that case law had recently changed and our tax acquisitions were legally in question and it was possible to argue that we did not actually acquire them. I can coordinate the interdepartmental reviews of tax acquired properties as requested but we need a final, legally reviewed and confirmed list of properties that have been properly acquired to review and finalize our recommendations for holding or disposition. The Tax Collector took advice from the City attorney to correct some of them for February 2015 and as she was organizing/reviewing them, tax collection season came into full swing and she had to focus on that before they could finalize the list. Most of the review work is done so once we have a list of properly foreclosed properties I can fairly quickly edit the past recommendations and schedule one more staff review for a final list.

I can certainly understand why tax collection takes priority over any other function in the Finance Office and would ask Jill or Nancy give us an update on current workloads and when the tax acquisition process will be complete and ready for me to organize them for sale. I suspect if we can bring them back soon it may address most of this question and we could take some additional time for the larger question of all City owned parcels.

I would certainly want to be a part of the discussion for all City owned property but would suggest a review format with one of the permanent TAP Committee

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members taking a lead organizing role, which would be more consistent with the Tax Acquired Property Policy.

42. What are the value assumptions for new growth that are the basis for these numbers in the budget?

Answer: Projections are based on the current years' numbers tracked month by month and assumptions draw from previous years for seasonal predictions. Permit revenues are very seasonal and a purely mathematical projection does not accurately predict the anticipated revenues for the end of the year because the next three months are some of our strongest. To be honest, the numbers in the budget are already out of date because the spring rush for building permits strengthened a month or so earlier than usual and current project discussions indicate that we will have a very strong finish to FY 15 and some of the discussions will certainly result in a strong start to 2016 if they do not apply for permits by June 30th. I can't say for sure when applications will be made or which private investors will add to their projects or decide not to undertake them at all so it is an educated guess, but I anticipate higher revenues and investment value than I submitted a couple months ago for the budget.

43. How do we integrate these benchmarks with performance targets for our development staff to ensure we not only achieve the revenues in the city budget, but proactively seek to grow value on the property tax side?

Answer: There are really two ways that we use these benchmarks.

The first way is to try to adjust fees to make the permit costs cover most of the costs of providing the associated processing and inspection services. Some years come very close on building, plumbing and electrical permits, however, having code compliance in the mix with minimal revenues has always kept us somewhat in the red. If you take into account CDBG subsidy we have broken even or slightly better some years on the Permit's Inspections and Code Compliance Program. The other thing that should be understood is that we always measure this performance benchmark with the actual current year (FY15) budget against the know revenues from the previous year (FY14) because revenues for FY15 can still vary. For example permit revenues last year were \$110,120 and this year we have already collected over \$130k at the end of March and we anticipate close to \$170k at years end.

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The second way we use permit value is to try to gauge investment in our community. Comparing permit values year to year is a useful comparison for the trends of investment in our community and we are going to set a 6+ year record for permit value investment this year-guaranteed at this point. While this can be a useful tool, it has been misinterpreted in the past and I think it becomes misleading and loses any real value if it is not explained properly. A few years ago it was determined that to keep pace with the CPI we needed \$38,000,000 in new valuation to hold the tax rate flat. It was then set as a benchmark for the Planning and Permitting and Economic Development Departments to try to bring in \$38,000,000 in new investment and we track that by collecting construction values on building permit applications. It is important to keep in mind that construction costs or investments are not the same as the assessed or market value of a property. For example, we recently had a home that was permitted and constructed for around \$200k that was sold for over \$300k. The market will dictate the assessed value and it will likely be close to the sale price if general market conditions support that and it was not an anomaly. On the other hand, Commercial renovations for tenant fit –ups may cost hundreds of thousands of dollars and if the building was already in good shape they may add little or no value to the assessment. Nonprofit investments like the recent addition at CMCC add substantially to assessed value but do not translate into new tax revenues.

In summary we do use the data on investment and permitting costs for useful analysis but we need to keep in mind the difference between investment and assessed value. We also need to keep in mind that other revenue sources are being reduced while inflation continues so we may need much more than \$38 Million in permit value or assessed value to make up for the \$12 Million +/- in valuation lost to BETE Exemptions and personal property last year and \$15 Million +/- lost this year combined with reduced Revenue Sharing from the State.

44. Transportation Projects – Per the Charter, all city expenditures and revenues must be included the budget. It is unclear based on the capital requests which projects we are funding and how much federal/state funding will be allocated during this fiscal year. This should include the details of all projects and not just line items denoting “match”.

Answer: The City has requested \$1.1 million in MDOT match funds for this year’s CIP. \$500k of that will be used as a match to \$500k in MDOT funds to fund the third phase of the S. Main St. reconstruction project. \$480k will be used as the City’s 20% contribution in order to receive \$1.9 million in FHA/MDOT funds for

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the Route 4/Fair/Lake Shore Drive Safety improvements project. \$120k will be used as the City's 20% contribution in order to receive \$480k in FHA/MDOT funds for the Academy/Elm/High Street safety improvements project.

45. Fire Department – EMS transport plan for revenue for next fiscal year? City Council policy should be set on intent for any “surplus” revenues with respect to tax levy, capital, etc.

Answer: With the unknowns of the Affordable Care Act still playing out, I feel it is safe to say our revenue projections for next year will be level and as we have projected this year pending any changes to insurance payables and allowable charges. Medicare, Medicaid and other insurance carriers adjust allowable and payable services from time to time. We will keep abreast of what the market allows and avail ourselves of those charges and fees as provided and adjust as able.

46. TIF Accounts – Per the Charter, the city should see a revenue and expense budget for each of the current TIF accounts.

Answer: see attached

Questions 47-56 pertain to the School Department:

47. A number of goals were provided during the budget presentation. Can data be provided on the measurables tied to those goals so we can be aware of how success will be measured?

Answer: School Committee Goals are attached as created and accepted by the committee

48. Privatization - The School Department was able to achieve significant savings from transportation privatization to invest in other areas, do similar options exist within food service and/or maintenance? Have those been thoroughly investigated? If so, can that analysis be provided for review?

Answer: We explore opportunities – we have not done an official analysis on food service or maintenance – the school committee would need to be a part of that decision making process - There are limited food service providers in Maine, but currently in discussion with a NH vendor. We have explored subcontracting our snow plowing/sanding winter services in past years. Maintaining our 11 facilities for a winter season was in the vicinity of \$250,000 - \$300,000. [Also had

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discussion with city whether they could maintain our parking lots for the winter and they don't have the staff nor vehicle capacity to assist.] City will provide some front-end loader assistance when able to. We currently budget \$28,000 for staff overtime, [that includes call-back time for other emergency needs, too], along with 5 pickup trucks. These vehicles are used on daily basis for school maintenance and operations and life expectancy is roughly 12 to 14 years. Our 5 maintenance staff perform daily operational affairs with a wide variety of services, along with daily services for the school lunch operations, and mail services to each school. We did explore several years now, subcontracting for our grounds and fields. From Billy and my recollection, it was not financially feasible. We hire 2 summer workers, college students, who work from mid-May to mid-August in performing ground work. Maintenance staff Our budget for is \$12,000.

49. Compensation – As the Council has asked for and been provided, can the School Department provide salary compensation listings for all employees? Of particular interest would be to have each staff member denoted as teacher/classroom instruction, administration (principals, etc.), or other. If they have another way they wish to code them, that would be fine. I would like to see the list sorted by highest total compensation to lowest. This is public information so must be provided. The City should stand ready to provide our list publicly as well, assuming others may ask.

Answer: Clarification, he wants the names of all of our employees with their classification and salary that he can sort? We will put that together -

50. Cost Center 4 – I would like to see all 77 athletic stipends listed by title and recipient, including the current compensation as it is proposed for a 2% increase. I would like the School Department to confirm how many stipends are included in other comparable, Class A School programs. This data request also applies to the other co-curriculum stipends, both the title/recipient/amount and comparison.

Answer: Attached is the number of stipends in the budget for next year without the 2% increase- Jonathan is welcome to ask other Class School Programs for their information -

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51. Cost Center 5 – Those testifying at public hearings have compared Auburn Schools to towns they would consider moving to for “better schools” for places where “education is valued.” What is the total spending comparison for this Cost Center in towns like Cumberland or Yarmouth?

Answer: All of this information is on the Maine Department of Education website through the Data Warehouse-

52. How many elementary age students does Auburn have and how does our number of elementary schools compare to towns with similar sized elementary age populations?

Answer: Information is on the MDOE website through the Data Warehouse.

53. Cost Center 6 – The City Council has repeatedly asked for municipal management (all departments but school) and school department management to meet and identify how we might combine back office operations. To date, no such report exists. I would like a transparent account of why.

Answer: “a transparent account of why” – we met when Clint was City Manager and at that time there were discussions, we did not write minutes to those meetings – with the transition to a new City Manager we have not resumed those discussions.

54. What is the basis for increasing Administration spending at twice the rate of Classroom Instruction spending based on the Cost Center numbers provided?

Answer: Due to the negotiations impact for the new Administrator contract -

55. Please provide full accounting of all rental properties of the School Department

Answer: RETC/SOS program at the old Lake St school, compensates ASD for rental space of the program.[It's basically our own program that we charge rent to.] You'll notice on our School Revenue Source document 'Rental Property' of \$58,000.

56. Please provide a five year history of the fund balance at the close of fiscal year.

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Answer: Please refer to the annual auditor reports, copies should be on file with city.