

City of Portland, Maine

City Manager's Recommended Budget



FY23 Budget

July 1, 2022 – June 30, 2023

City of Portland | Executive Department

Danielle P. West, *Interim City Manager*



To: Mayor and Members of the Portland City Council

CC: City of Portland Staff

From: Danielle P. West, Interim City Manager

Date: April 25, 2022

Re: City Manager's FY23 Recommended Budget

Pursuant to Article VI, Section 5(e) and Article VII, Sections 5 and 6 of the City of Portland Charter, I am hereby submitting the City Manager's Recommended \$333.9 million FY23 Municipal Operating Budget. It's a pleasure to serve as Interim City Manager during this time of transition, and I thank you for the trust you have placed in me. I'm humbled and honored to lead our dedicated group of public servants who work tirelessly each day to provide excellent municipal services to and for the City of Portland and its residents. I'd also like to thank you for your patience and understanding following my [communication](#) in which I expressed that it was in the City's best interest to delay the budget presentation so that we could make every effort to not propose overly increasing the property tax rate or making significant cuts to core municipal services.

The last several years have tested us all in many ways, and while we have learned to operate differently and seen many, although not all, of our revenue streams come back to their pre-pandemic levels, there are new challenges that we face. One such budget challenge that has presented itself as a big obstacle this year is something to which no one is immune. The unexpected 7% rise in inflation during 2021 is affecting all of our departmental budgets in one way or another through higher costs for goods and services, fuel, and labor.

The second, and larger, budget challenge we face is quite unique to Portland, though it has regional and statewide implications. The State of Maine and the City of Portland continue to attract record numbers of asylum seeking families from the southern U.S. border, and record numbers of circumstantially and chronically homeless individuals, seeking emergency shelter services. As I have previously stated, we are proud to be a welcoming city, take our General Assistance (GA) obligation seriously, and understand the value and benefits of having new residents in Maine, but we are in a dire situation. Our staff is stretched thin and cannot adequately provide the required resources to the hundreds of new arrivals, our shelters are beyond their capacity, and it is increasingly harder to find enough hotels to provide overflow. On top of this, the cost of providing the overflow hotel rooms is unsustainable. At the time of writing this letter to you, we are providing shelter to 1,602 people each night in six communities to meet the need that stretches beyond our two City-operated shelters.

It is currently projected that the annualized cost of providing overflow hotel rooms just to those who have already presented at Portland's GA office will now exceed \$45M, more than doubling the City's HHS budget in just a single year. Of course, this figure does not account for future arrivals, and the City has been seeing nearly 100 individuals arriving per week during the last month so the cost could continue to rise significantly in the coming months. The increase in the City's HHS budget for FY23 represents nearly 80% of the City's total FY22 to FY23 budget increase.

Under the State's GA law, the State of Maine currently reimburses all municipalities for 70% of the GA costs described above, and the municipality is required to cover the remaining 30%. Thankfully,

as a result of the pandemic, the City will also receive FEMA reimbursement for its 30% share in FY22. Those FEMA funds, however, will no longer be available as of June 20, 2022.

In an effort to not have to increase the property tax rate or make significant cuts to City services, the Mayor, myself, and other members of City staff have been working diligently with our State and Federal delegations, as well as the Governor's Office, to find solutions and alternative sources of funding for increased GA reimbursement, temporary housing of asylum seekers, and resettlement coordination. Due to these circumstances, the budget I'm presenting continues to dedicate a significant amount of our money and staff resources to providing social services, emergency shelter, public health, and long-term care to our neediest populations. However, I can't stress enough that we can't continue to do this alone. We will continue to need regional and state assistance as we move forward into FY23.

As you know, we drastically reduced our budget two years ago in light of the impact COVID had on our revenue streams and the impact it had on our taxpayers. Last year, you approved a measured and moderate budget; one that would minimize a tax rate increase, but also start the process of getting us back to where we were before the pandemic hit. The City had COVID related revenue losses of nearly \$28M during FY21 and the tail end of FY20. And many key revenue categories dropped by millions of dollars in FY22. We are thankful that Portland received \$46.2 million in federal American Rescue Plan Act (ARPA) funds to help cover these lost revenues and fund one-time transformational projects. We're also thankful to the Council for balancing all of our needs and approving a phased approach to using these funds, allocating the use of \$8.75 million in FY22. The FY23 budget contemplates using \$5.5 million of ARPA funds and we anticipate using \$2.75M million in FY24 to recoup remaining losses as revenues climb back. After addressing the COVID related revenue losses in City budgets, the use of remaining ARPA funds will be decided by the Council with staff recommendations made outside of the fiscal year budgeting process.

In addition to revenue losses, our GA budget increases, and inflation, we continue to face many other cost increases including in debt service costs (an approximately \$1 million increase in our pension obligation bond debt service alone), in the tax levied by Cumberland County, in our required METRO contribution, and in contractually obligated union wage increases.

While we always ask our Department Directors to take a hard look at their budgets and achieve any cost savings, there are things they need in order to provide our core municipal services. Due to many costs outside of their control, the departmental level budget requests resulted in a tax levy increase of nearly \$30M dollars. This meant that the Finance Director and I had to make some very hard decisions in order to present you with a recommended budget that contains a property tax rate increase lower than inflation.

We have worked hard to reduce existing expenses and increase revenue streams to avoid having to cut any existing full-time equivalent (FTE) staff positions. However, we did have to put off adding most new positions that Department Heads requested that were not offset by associated revenues. After cutting 65 FTEs two years ago, and then restoring 20.5 last year, we had originally hoped to continue rebuilding during FY23. With the exception of Parks & Recreation, where the year over year increase of 13 positions is notable (but also balanced and more than fully offset by additional revenues within the Department), we were unable to restore most other staff positions. Despite these realities, we have worked to address some of the Council's stated priorities including setting aside \$150,000 in funds for the creation of a Diversity, Equity and Inclusion Office, additions to staff in the Sustainability Office, among other things.

In light of all this, I'm presenting you with a recommended budget that includes a **5.5% increase in the tax rate** on the City side of the overall budget with a new city-side mill rate of \$6.56 per \$1,000 of assessed property value. It should be noted that if it weren't for the use of \$5.5 million in ARPA funds, as well as the use of debt service reserves and an increase in revenue sharing in this budget,

we'd be looking at a projected tax rate increase of approximately 17% to maintain current levels of municipal services.

Additionally, thanks to our efforts with our state and regional partners as described above, we learned today that we will be receiving a portion of one-time state funding to address emergency housing of homeless individuals. As I have said, the tax rate increase included in this recommended budget is projected to be 5.5%, but this may need to be adjusted and/or additional cuts made since this one-time funding we have been allocated is significantly less than anticipated. We plan to work diligently with the Council to address this issue through the upcoming Finance Committee budget review process.

Please note that should there be any additional priorities the Council wants to address, I felt it most appropriate for those decisions to also be made by the Council during the Finance Committee budget review process.

To provide some context on changes in the City budget over the last several fiscal years, the following is a chart that outlines the City, County, and School portions of the tax levy since FY16:

| FY 16 - FY23 City of Portland Tax Levy History & Breakdown | | | | | | | |
|---|-------------------|-----------------|-----------------|-------------------|-----------------|-------------------|---------------------------|
| Fiscal Year | MUNICIPAL PORTION | | | | SCHOOL PORTION | | OVERALL |
| | City Tax Levy | City % of Total | County Tax Levy | County % of Total | School Tax Levy | School % of Total | City of Portland Tax Levy |
| FY16 | \$75,785,193 | 47.6% | \$5,240,009 | 3.3% | \$78,073,211 | 49.1% | \$159,098,413 |
| FY17 | 78,445,570 | 47.8% | 5,417,119 | 3.3% | 80,331,376 | 48.9% | 164,194,065 |
| FY18 | 80,187,454 | 47.5% | 5,907,743 | 3.5% | 82,787,921 | 49.0% | 168,883,118 |
| FY19 | 83,323,749 | 46.9% | 6,288,845 | 3.5% | 88,003,431 | 49.5% | 177,616,025 |
| FY20 | 86,173,337 | 46.3% | 6,640,316 | 3.6% | 93,345,139 | 50.1% | 186,158,792 |
| FY21 | 86,743,535 | 46.1% | 7,011,159 | 3.7% | 94,338,744 | 50.2% | 188,093,438 |
| FY22 | 83,867,622 | 44.1% | 7,147,309 | 3.8% | 99,083,251 | 52.1% | 190,098,182 |
| FY23 Proposed | 89,023,703 | 44.4% | 7,563,215 | 3.8% | 103,851,071 | 51.8% | 200,437,989 |
| The City portion of the overall tax levy has increased by \$13.2M or 17.5% since FY16 (2.03% CAGR) | | | | | | | |
| The County portion of the overall tax rate has increased by \$2.3M or 44.3% since FY16 (4.69% CAGR) | | | | | | | |
| The School portion of the overall tax rate has increased by \$25.8M or 33.0% since FY16 (3.63% CAGR) | | | | | | | |

CAGR = Compound Annual Growth Rate

FY22 RECAP

FY22 had us operating within the new confines of the COVID-19 pandemic. There were times in which we reverted back to emergency response mode as new variants and spikes ebbed and flowed. I am so proud of the way in which our staff managed the pandemic and how they never failed to respond to the needs of our community. While our outlook now remains hopeful, I'm cognizant of the toll the pandemic and the current labor market has had on our workforce. They have had to do more with less given budget constraints, but also due to major staff vacancies in many of our front-line service departments. During this last year we've averaged roughly 200 vacancies at any given time. We've also had several vacancies in our department leadership positions, which means many people have been doing multiple jobs at any one given time.

While we are happy to be back together in-person, I'm proud of the lessons we learned over the last several years. In many ways, we've incorporated these lessons into our workflows to provide enhanced customer service. For example, the ability to make an appointment to register your car means that you no longer have to wait in long lines, and the ability to participate in public meetings remotely means you can more easily interact with elected and appointed officials, and staff. It's exciting to see this increase in community engagement as our work is improved when we hear more

feedback from our constituents.

Our Health & Human Services Department moved into its new location at 39 Forest Avenue, allowing all administrative and program staff to be housed in one location. This has greatly improved their work, but also their camaraderie as colleagues. As the social services center of the state, our commitment to providing key health and human services became even more necessary as people continued to feel the effects of the pandemic. Our emergency shelter services expanded as need increased, operating a second 24-hour shelter facility. The second facility became a contracted hotel with 149 individual rooms. This created appropriate social distancing allowing those who needed emergency shelter to safely access it during the pandemic. Additionally, individuals were provided non-congregate shelter options through emergency general assistance. The housing teams at both Oxford Street and Family Shelters did a tremendous job overcoming housing challenges due to the pandemic. Our staff worked extremely hard to find permanent housing solutions for our most vulnerable neighbors, as well as working with area landlords to keep formerly homeless individuals housed. The Oxford Street Shelter placed a total of 102 clients, 30 of whom were long-term stayers into permanent housing. The 102 housing placements represent 27,228 bed nights or 75 years. The 30 long term stayer placements represented 17,421 of those bed nights or 64%. The Family Shelter served 106 families, and housed 102 families totaling 352 individuals.

Additionally, this past year, the Public Health Division continued to respond to the COVID-19 pandemic by organizing City and community vaccination clinics and prevention efforts. To date, 634 COVID-19 vaccinations have been administered from the Public Health Division. The Division and all of its services moved from three locations to 39 Forest Avenue in November, 2021. The clinics at 39 Forest Avenue have continued to provide STD, primary care, and harm reduction services to Portland's underserved communities. Harm reduction services were also expanded to include the distribution of fentanyl test strips in March, 2022. Since distribution began, staff have distributed over 150 kits (three test strips/kit).

I'm pleased to report that we broke ground on the new Homeless Services Center at 654 Riverside Street on March 29. In 12 months from now, this modern emergency shelter facility will replace the inadequate shelter on Oxford Street with on-site access to food, health care, housing counseling, and all other related wrap-around services in order to provide a more humane experience for those who are in need of these critical and basic services. We'll soon be creating an advisory group consisting of representatives from the neighborhood association, neighborhood residents, area businesses, Portland Police, Homeless Services Center staff, Homeless Services Center clients, the District Attorney's office, Portland Trails, and the District 5 City Councilor to ensure our commitment to being a good neighbor.

In our Planning & Urban Development Department, 2021 included a significant amount of both development review and long range planning activity. For approval of new housing, it was a record year, with 925 dwelling units approved (not including single and two family homes), far exceeding the also high numbers of dwelling units approved in recent years. Ninety-five of those were dedicated low income housing units, 100 were Inclusionary Zoning units, and a combined \$1,115,880 in Jill C. Duson Housing Trust contributions as a result of Inclusionary Zoning and Hotel Inclusionary approvals. Though small and medium sized projects contributed to the overall housing approved in Portland in 2021, several large initiatives contributed to the higher than average numbers, including at 52 Hanover Street (171 dwelling units), 200 Federal Street (263 dwelling units), and the former Mercy Hospital site (170 dwelling units). Other notable projects shepherded through the planning process in 2021 include USM campus expansion plans; the new Homeless Services Center; the multi-phase former Mercy Hospital site; and zoning amendments that extended the B-3 zone to encompass portions of Winter and State Streets, as well as rezoning of the Douglass and Lambert Street properties, to facilitate greater housing development and use flexibility.

Planning & Urban Development has also made significant progress on its long-range planning and policy initiatives. Some highlights include, in the transportation realm, beginning work on a citywide Bikeshare program in preparation for a 2022 launch, new and better bike lane outreach and planning, and neighborhood byway implementation through our Better Bikeways Initiative. Public space initiatives include work on Congress Square redesign and Portland Harbor Common, as well as trail and pathway projects. Planning's Public art achievements in 2021 include finalization of the installation of the Deering Street Roundabout, integrating a public art initiative into the final design for Congress Square, and coordination of the Bramhall Square art selection committee, among others. The RFP for the Historic Preservation Impact Study was issued and a consultant team selected. Finally, ReCode Portland Phase II is underway, and focused on substantive policy changes to further the code's alignment with Portland's Plan 2030's goals around equity and sustainability, with particular attention to zoning standards, environmental standards, housing policies, and complete neighborhoods. The City has contracted with consulting firm Camiros to assist with this work, and staff continues to be intricately involved in the project, including in public outreach, an explanatory video, public forums, analysis, and survey creation.

Our small business community, which is the backbone of Portland's economy and contributes so much to its authenticity and character, has faced and continues to face challenges from the pandemic. In response, the Housing and Economic Development Department (HEDD) provided over 360 Portland businesses and nonprofits with free PPE, funded through the Maine Cares Act. Through COVID Community Development Block Grant (CDBG) funding, the Department provided Winter Business Sustainability Grants of up to \$9,000 each to 11 restaurants, and Microenterprise Grants of up to \$5,000 to 75 small businesses. In addition, the Portland Development Corporation (PDC) set aside City loan funds for pandemic-impacted small businesses through its Rapid Response Micro Loans, providing 15 loans of up to \$10,000, with \$5,000 forgivable if the business retained or hired back at least 50% of its pre-COVID employees/jobs. During the worst of the pandemic, the PDC deferred loan payments for 24 businesses with City loans for up to three-to-five months. More recently, the Business Assistance Program for Job Creation has granted \$10,000 and \$20,000 grants to 18 small businesses for the creation of full-time jobs for low/moderate income individuals. As a result, the funding has already caused the creation of 19 full-time jobs with 12 more jobs to come. The new ARPA funded Microenterprise Program has generated 32 applications within two weeks of launch. Grants of up to \$7,500 will be awarded between April and June.

HEDD also administers the Brownfields Program, assisting with the assessment and cleanup of environmentally contaminated properties for redevelopment. The City's Brownfields Assessment Fund has received \$450,000 from the Environmental Protection Agency (EPA) to fund Phase I and Phase II Environmental Site Assessments. To date, 15 properties have been assessed, including Northern Wye/County Way, 337 Cumberland Avenue, 21 Randall Street, 165 Lambert Street, 12A Portland Fish Pier, MDOT Park & Ride Lot on Marginal Way, 204 Rand Road, 91 and 43 Douglas Street, 58 Fore Street and others. Using cleanup funds granted to the City from EPA, Portland's Brownfields Revolving Loan Fund has awarded over \$2.4 million in loans and grants to 10 projects with three more pending. Some of these projects include Children's Odyssey (at the former Reed School), various projects on Thompson's Point including the Children's Museum and Theater of Maine, three Portland Housing Authority projects (Boyd Street, and Front Street Phases I and II) and the Chestnut Street Lofts. Staff just submitted a grant application to EPA for an additional \$3 million to recapitalize the City Brownfields Revolving Loan Fund.

Our Permitting and Inspections Department has not seen a slow down due to the pandemic, in fact their workload increased, most notably due to an increase in outdoor dining as well as the passage of three Citizens Initiative Referendum questions during the November 2020 election. More specifically, the implementation of the Green New Deal, Rent Control ordinance, and the new rules and regulations related to marijuana retail establishments have significantly increased staff work.

This increase in work, required staff training, and staff shortages due to a tight labor market, have made it a very challenging year for the department.

In FY21, staff processed 2,239 building permits, 1,239 electrical permits and 392 plumbing permits. This amounts to more than we had for totals in FY18, FY19, and FY20. During the current fiscal year, we are continuing on that same trend for permit numbers. This division has also seen the adoption of a new Mechanical Code, new Electrical Code and the new Energy Code. The City's four Building Inspectors performed 5,449 inspections in FY21. So far in FY22, they have executed 3,937 inspections. Zoning has also had an increase in permit reviews due to the sheer number of permit applications. In FY21, they reviewed 950 permits and so far in FY22 they have reviewed 511 permits. The Business Licensing division implemented the Temporary Outdoor Dining Program, which lasted for two years. This helped our small businesses survive when inside dining was prohibited, social distancing, and occupancy limits were in place. In FY21, staff issued 1,507 business licenses and performed 705 Health Inspections. So far in FY22, 851 business license applications have been received. The city currently has 26 licensed marijuana retail stores and 16 stores are in the application process. The City also licenses marijuana manufacturing, cultivation, testing and small scale caregivers.

In our Housing Safety Office, the division was required to collect data on more than 20,000 units, to create and staff a Rent Board, to investigate illegal rent increases and to educate the public on the newly voter-approved ordinance. This work is in addition to the safety inspections we conduct of rental units in Portland. The City's four inspectors are both Certified Code Enforcement and Certified Fire Inspectors. They handle Long-Term, Short-Term, Complaints, and now Rent Inspections. In FY21, the Inspectors performed 2,350 inspections. The office issued 4,270 Long-Term licenses and 648 Short-Term licenses in FY21. So far in FY22, they have executed 2,056 inspections and issued 2,207 Long-Term and 556 Short-Term Registrations.

The Portland International Jetport continued its record for customer service in 2021, winning Best Airport in North America in the 2-5 million passenger category for the fifth consecutive year. The Jetport also saw significant improvement in passenger volumes despite the pandemic's ongoing negative impacts on air travel nationwide. The Jetport was down 21.6% in passenger boardings in 2021 compared to pre-pandemic 2019 levels, outperforming the nation which remained down 27.3%. This was thanks to Maine's strong leisure tourism throughout the summer season in 2021. Although passenger recovery was strong in 2021, pandemic related reductions remain and are keeping operating revenues below 2019 levels. Operating revenues are projected to be 10% below FY19 in FY22 and are budgeted at 5.6% below FY19 in FY23. Thankfully, federal relief funding for airports remains available to the Jetport and positions it well for a sustained recovery, over the next two fiscal years. In line with last summer's success, the Jetport is seeing strong capacity growth for this summer with airline partners adding all-time record seat capacity out of Portland for June, July, and August 2022. This is a good indicator of the strength of Portland and Maine's tourism economy and the market's resiliency in overcoming the pandemic.

We also remain committed to our sustainability goals outlined in our Climate Action Plan. Our Sustainability team recently announced that its free composting program will expand in early June, nearly doubling the number of drop-off locations citywide. This program began as a pilot in April 2021, with locations in the West End (Clark Street Garden), Libbytown (Libbytown Community Garden), Riverside Recycling, and Bayside (Boyd Street Community Garden). In its first year, the program successfully removed approximately seven tons of food waste from the general waste stream every month. Public feedback on this new program has been overwhelmingly positive, as measured in a recent survey conducted by the Sustainability Office. As part of the program expansion, new sites will be located at the Payson Park Garden, Riverton Community Garden, and Brentwood Farms Community Garden, in Deering. Additionally, we recently released an RFP seeking proposals from companies interested in providing competitively-priced composting services to Portland residents in exchange for promotional support.

The Sustainability team continues to work on its Electrify Everything! program, which is an effort to reduce Portland's collective carbon footprint and minimize energy costs by providing residents with exclusive discounts on solar panels and home heating appliances. Installations procured through this program will begin in FY23. We also recently announced that we selected EVGo as our partner to deploy electric vehicle charging infrastructure on City-owned property. In FY23, this partnership will bring the installation of up to 44 Level-2 chargers and four DC fast chargers (serving eight parking spots).

Furthering our commitment to our environment, our Parks, Recreation & Facilities department budget allows us to plant 200 trees each year, as well as maintain our inventory of 20,000 trees, and we've implemented several urban meadow areas in which we don't mow them as often to encourage pollinators. On top of that we've honed in on utilizing native plantings and fruit orchards. Our Public Works and Planning & Urban Development departments continue their work on increasing our bicycle transportation infrastructure with safety improvements, additional paved lanes, and new pathways in the works.

FY23 BUDGET GOALS & REALITIES

Given the fact that we're not over the full effects of the pandemic yet, and are again faced with several major cost increases that I described above, I asked every Department Head to prepare their budgets conservatively. Ultimately, I had to ask many to revise their proposals, set aside certain requests, make reductions, or suggest fee increases to help balance the budget. I'm proud of the work they did to prioritize our needs given our current situation. In spite of these efforts, for the reasons stated above, it was almost impossible for Departments to come in without any increases over last year. While the two major budget challenges we face are very serious, it is also important for me to balance the needs of our workforce. As a result, this budget does include funding for some retention strategies given the extremely tight labor market and the significant number of vacancies we have had. The pandemic has certainly exacerbated the challenges that local governments face with recruitment and retention, and that is why I'm including a cost of living adjustment (COLA) for non-union personnel, the agreed upon COLA's and other increases for union personnel per City Council approved collective bargaining agreements, and capping City health insurance premium increases at 2%.

Portland prides itself on having the most diverse revenue base in Northern New England with 58% of our FY22 general fund revenue coming from non-property tax sources (charges for services, licenses and permits, intergovernmental revenue and more). As was stated before, balancing the budget with a 5.5% increase this year is only due to the use of those diverse revenue funds, ARPA funds, and debt service reserves, as well as an increase in state revenue sharing funds. Otherwise, we'd be facing a much higher tax rate increase or a reduction in the level of municipal services we would be able to provide.

DEPARTMENT HIGHLIGHTS

Health & Human Services

Public Health: Our Public Health Department budget has increased by over half a million dollars, a 22.1% increase from FY23. We continue to aggressively pursue alternative funding opportunities, including grants, for areas of public health need in Portland.

Barron Center: The Barron Center has had challenges maintaining a higher census count due to the ongoing pandemic and staffing shortages at nursing homes and hospitals nationwide. Despite these challenges, the City is increasing investment at the Barron Center to an all-time high. Part of this investment includes the use of \$4.1M from the State of Maine to be used only by the Barron Center

on or before December 30, 2022. More than \$2.7M has already been distributed, and the remaining \$1.3M will be used in the coming months to provide additional monies to staff.

Public Works: The Public Works Department has had an extremely challenging time with managing the number of vacancies they have due to the labor market and the low salary ranges we offer for various positions. This budget includes a 12.3% increase as the City struggles to keep pace with the market for skilled labor positions, rising fuel prices, and other inflationary pressures.

Because of the nearly \$400,000 increase in providing solid waste and recycling services, the City will be implementing a 50 cent increase in the Pay-As-You-Throw bag fees, which will bring in an estimated \$275,000 in revenue to help offset these increases.

Housing & Economic Development: The Housing & Economic Development Department includes one new FTE to assist with implementation of all of the new programs the City is administering with our \$46.2 American Rescue Plan Act Funding and assist with existing work. The budget also includes continued additional investment in Creative Portland and the Office of Economic Opportunity.

Parks, Recreation & Facilities: This budget includes a \$1.5M or 16.4% revenue increase due to the rebounding of recreation programming and public assembly events. The budget also includes increasing the number of Before-and-After-School program participants given high demand. The increase seen in this budget, including the corresponding increase in benefits, is fully covered by the \$1.75M increase in additional revenue generated.

Planning & Urban Development: This budget includes a \$27,000 decrease in FY23 as \$130,000 in FY22 one time expenses related to the recode and historic district study were not needed for FY23.

Police: This budget includes a 4.7% increase in funding to maintain existing service levels.

Fire: The Fire Department budget includes a nearly \$1M increase in funding. Although overtime was at all-time highs in FY22, the City will be focusing on more careful management of overtime levels in FY23. The Department is also adding two FTEs related to required additional service levels at the Portland International Jetport due to the increasing size of arriving/departing aircraft.

Parking: This budget includes a 3.6% increase and will maintain existing service levels. Parking revenues are expected to rise by \$1.8M in FY23 and have bounced back faster than anticipated. The budget includes a 50 cent increase in parking meter rates in the old port/commercial street area which is expected to generate \$316,000 in additional revenue.

Permitting & Inspections: This budget includes a 13.1% increase and addresses a City Council priority by adding a new Code Enforcement Officer to assist with the increase in workload within the office.

City Council: The Council's budget includes no significant increase. An anticipated fee for a new City Manager search firm is offset by a reduction in anticipated Charter Commission expenses in FY23.

City Clerk: This budget includes a 7.9% increase and a slight hours increase for our election assistants to ensure adequate cross training and coverage during elections.

Corporation Counsel: A reorganization of positions has led to an increase in Corporation Counsel's budget. This is necessary in order to address the high volume of work that this department has been faced with over the past several years. This will also allow them to be able to identify areas of improvement around enforcement, policies and practices, and reduce costs city-wide over time.

Executive Office: The budget includes a \$146,934 increase from FY22. Investments include increasing our half-time Sustainability Associate to a full-time position and funding for a Resilience Corps fellow through GPCOG, who will assist the Sustainability Director and Associate on fulfilling the objectives in our Climate Action Plan. The budget also includes additional sustainability/energy management funding through Engie's Total Energy & Sustainability Service.

POSITIVE BUDGET DRIVERS

Excise Tax: Excise taxes are still a significant source of revenue for the city's transportation needs. Despite rising interest rates and car prices we are projecting excise taxes to remain flat at \$10.5M for FY23.

Parking: As noted previously Parking Department revenues are increasing significantly and have already exceeded pre-pandemic levels with nearly \$10M expected to be received in FY23. This represents more than a \$1.8M increase from FY22.

Property Valuation: Property valuation is estimated to grow by \$100 million in the current year due to newly permitted and on-going construction projects and continues our upward trajectory in overall valuation. This \$85M of new property valuation creates an additional approximately \$656,000 in new tax revenue for municipal use. While this may seem like a significant amount, it represents only approximately a 0.7% overall increase to our FY22 valuation of approximately \$14.6 billion, and can only fund a fraction of the cost increases and budget challenges we face in FY23.

Credit Rating Upgrade: Earlier this month Standard & Poor's Global Ratings (S&P) raised its credit rating on all of Portland's general obligation debt up to 'AAA' from 'AA+'. This elevates the City of Portland rating to the highest available measure of creditworthiness from S&P. The highly coveted 'AAA' rating significantly reduces debt service costs on bonds issued with the rating in place and creates additional demand for City of Portland municipal bonds. The rating increase is due to continued growth in the local economy, very strong financial management and financial policies, and very well managed debt metrics. The upgrade marks the second rating increase from the S&P in the last five years. The reduction in debt service costs due to the upgrade will be significant within the City budget. An AAA rating typically reduces total interest costs on a debt issue by an estimated 10 to 15 basis points when compared to similar costs on an AA+ rated bond (savings of \$10,000 to \$15,000 per million of debt issued). The City's \$51.93M municipal bond sale last week realized an estimated savings of \$520,000 to \$780,000 due to the upgrade.

State Revenue Sharing: State revenue sharing revenue continues to increase and the State is expected to fully fund the City of Portland in FY23 at statutorily required levels. This is expected to result in an increase in excess of \$2M in funding from FY22 to FY23.

ARPA Funding: ARPA continues to be a positive budget driver for the City which will help us sustain municipal services in FY23. Five and a half million dollars in ARPA revenues are being infused into the FY23 budget under the revenue replacement category.

ADDITIONAL BUDGET CHALLENGES

In addition to the items I mentioned above regarding inflation and rising GA costs, the items outlined below are additional budget challenges we need to consider in this budget process.

Health Insurance: After a couple of years without any health insurance premium increases for employees, we are faced with having to pass on an increase to staff this year. Given I mentioned above that I'm concerned about retention of staff, I am proposing to only pass along a 2% increase in FY23.

Debt Service: Our debt service is up roughly \$4.2M overall. This includes an approximately \$1.1 million increase in debt service related to our 2001 pension obligation bonds and similarly sized increases are looming in FY24, FY25 and FY26. During last year's budget review the Finance Director presented a plan to offset these increases using savings from renegotiation of pension obligation bond ancillary costs and provide \$10M+ in property tax relief

METRO: The FY23 budget includes a 3.9% increase in our METRO contribution or an additional \$117,642, an approximately 1 cent increase to the City portion of the tax rate.

Portland Public Library: The Portland Public Library has requested a 7.7% increase in FY23 funding or \$306,575, an approximately 2 cent increase to the City portion of the tax rate.

County Tax: The FY23 budget includes a 5.8% or \$415,906 increase in Cumberland County tax assessment pushing it to more than \$7.5 million. This represents just under a 3 cent increase to the tax rate.

BALANCING THE BUDGET

At this time, the growth of non-tax revenues and property valuation results in a City side tax rate increase for municipal services of 5.5%. This means the city-side mill rate is \$6.56 per \$1,000 of assessed property value. The impact on an average homeowner with a property valued at \$350,000 would be \$119.

CONCLUSION

I would like to thank the Finance Department staff, Human Resources Director Anne Torregrossa, and Communications Director Jessica Grondin for their assistance in developing this budget recommendation and presentation, as well as the hard work and diligence of Department Heads and their staff in developing budget requests.

I'd also like to thank all City employees for the work they've done in helping us accomplish the many things we've achieved over the last several years, as well as the regular municipal services they provide each and every day. And I'd like to express my sincere gratitude for the way in which staff has continued to perform top-notch public service during the pandemic. It has been a long and ever-changing year in which we've faced many obstacles, and I'm proud of how we all worked together to keep our community strong.

Finally, I'd like to thank the City Council for advising us on your priorities and working collaboratively with staff over the last year. We look forward to reviewing this proposed budget with the Finance Committee and the full Council.

Sincerely,

Danielle P. West
Interim City Manager

**CITY OF PORTLAND, MAINE
COMPARATIVE BUDGET PLAN FY2023**

July 1, 2021 - June 30, 2022

July 1, 2022 - June 30, 2023

City Manager's Recommendation

| | FY22 | FY23 Dept Submission | FY23 City Mgr's Recomm. | FY23-CM / FY22 \$ | % |
|--|----------------------|---------------------------------|------------------------------------|------------------------------|--------------|
| CITY GENERAL FUND REVENUES | | | | | |
| 31 Property Taxes | \$91,014,931 | \$118,399,284 | \$96,586,918 | \$5,571,987 | 6.1% |
| 31 Other Local Taxes | 6,087,977 | 6,078,477 | 6,078,477 | (9,500) | -0.2% |
| 32 Licenses & Permits | 6,751,336 | 6,827,450 | 7,079,950 | 328,614 | 4.9% |
| 33 Intergovernmental Revenue | 25,406,110 | 43,785,065 | 64,392,196 | 38,986,086 | 153.5% |
| 34 Charges for Services | 35,487,998 | 37,889,528 | 38,696,672 | 3,208,674 | 9.0% |
| 35 Fines, Forfeits and Penalties | 1,761,050 | 1,966,254 | 1,966,254 | 205,204 | 11.7% |
| 36 Use of Money and Property | 8,870,217 | 10,473,544 | 10,812,044 | 1,941,827 | 21.9% |
| 39 Other Sources | 36,777,265 | 42,175,255 | 43,163,239 | 6,385,974 | 17.4% |
| Fund Balance Use (Restoration) | | - | - | - | - |
| Total General Fund Revenues | \$212,156,884 | \$267,594,857 | \$268,775,750 | \$56,618,866 | 26.7% |
| GENERAL FUND EXPENDITURES | | | | | |
| 100-11 City Council | \$424,240 | \$431,699 | \$426,699 | \$2,459 | 0.6% |
| 100-12 City Clerk | 632,235 | 711,947 | 681,447 | 49,212 | 7.8% |
| 100-13 Executive | 830,736 | 971,806 | 977,670 | 146,934 | 17.7% |
| 100-14 Assessor | 446,739 | 483,268 | 478,268 | 31,529 | 7.1% |
| 100-15 Finance Administration | 1,204,259 | 1,403,340 | 1,320,399 | 116,140 | 9.6% |
| Treasury | 688,701 | 731,669 | 731,669 | 42,968 | 6.2% |
| Total Finance | 1,892,960 | 2,135,009 | 2,052,068 | 159,108 | 8.4% |
| 100-16 Legal | 845,052 | 1,020,689 | 1,050,737 | 205,685 | 24.3% |
| 100-17 Human Resources Admin | 1,157,467 | 1,381,920 | 1,261,163 | 103,696 | 9.0% |
| 100-18 Parking | 1,465,907 | 1,534,970 | 1,534,970 | 69,063 | 4.7% |
| Elm Street Garage | 301,367 | 304,572 | 304,572 | 3,205 | 1.1% |
| Spring Street Garage | 493,474 | 516,845 | 516,845 | 23,371 | 4.7% |
| Temple Street Garage | 127,000 | 117,800 | 117,800 | (9,200) | -7.2% |
| Total Parking/Garages | 2,387,748 | 2,474,187 | 2,474,187 | 86,439 | 3.6% |
| 100-19 Economic Development Admin | 710,695 | 1,042,011 | 883,824 | 173,129 | 24.4% |
| Portland Development Corp | 28,522 | 28,522 | 28,522 | 0 | 0.0% |
| Housing & Community Dev. | 538,174 | 574,738 | 574,738 | 36,564 | 6.8% |
| Total Housing & Economic Dev. | 1,277,391 | 1,645,271 | 1,487,084 | 209,693 | 16.4% |
| 100-21 Police Administration | 1,302,585 | 1,449,845 | 1,329,925 | 27,340 | 2.1% |
| Uniformed Operations Group | 10,417,102 | 11,007,773 | 10,837,455 | 420,353 | 4.0% |
| Bureau Investigative Services | 1,872,765 | 2,119,522 | 2,047,944 | 175,179 | 9.4% |
| Operations Support Services | 893,343 | 954,425 | 966,425 | 73,082 | 8.2% |
| Dispatch Services | 0 | - | 0 | 0 | #DIV/0! |
| Jetport Security | 564,068 | 580,738 | 580,738 | 16,670 | 3.0% |
| Total Police | 15,049,863 | 16,112,303 | 15,762,487 | 712,624 | 4.7% |

**CITY OF PORTLAND, MAINE
COMPARATIVE BUDGET PLAN FY2023**

July 1, 2021 - June 30, 2022

July 1, 2022 - June 30, 2023

City Manager's Recommendation

| | FY22 | FY23 Dept Submission | FY23 City Mgr's Recomm. | FY23-CM / FY22 \$ | % |
|---|-------------------|---------------------------------|------------------------------------|------------------------------|--------------|
| 100-22 Fire Administration | 647,798 | 769,636 | 769,636 | 121,838 | 18.8% |
| Code Enforcement & Comm Svcs | 177,995 | 326,899 | 326,899 | 148,904 | 83.7% |
| Field Operations | 15,352,104 | 16,201,547 | 15,878,547 | 526,443 | 3.4% |
| Operations Support Services | 896,043 | 943,101 | 935,001 | 38,958 | 4.3% |
| Air Rescue | 1,107,200 | 1,263,589 | 1,263,589 | 156,389 | 14.1% |
| Total Fire | 18,181,140 | 19,504,772 | 19,173,672 | 992,532 | 5.5% |
| 100-23 Dispatch Services | 2,417,816.00 | 2,768,809 | 2,418,809 | 993 | 0.0% |
| 100-24 Planning & Urban Dev. Admin | 229,214 | 255,084 | 255,084 | 25,870 | 11.3% |
| Planning | 1,369,054 | 1,402,283 | 1,316,183 | (52,871) | -3.9% |
| Housing & Community Development | - | - | - | - | #DIV/0! |
| Total Planning & Urban Dev. | 1,598,268 | 1,657,367 | 1,571,267 | (27,001) | -1.7% |
| 100-25 Permitting & Inspections Admin | 179,556 | 193,366 | 193,366 | 13,810 | 7.7% |
| Inspections | 1,078,915 | 1,254,238 | 1,254,118 | 175,203 | 16.2% |
| Housing Safety | 591,019 | 711,794 | 653,111 | 62,092 | 10.5% |
| Business Licensing | 322,894 | 415,683 | 356,150 | 33,256 | 10.3% |
| Total Permitting & Licensing | 2,172,384 | 2,575,081 | 2,456,745 | 284,361 | 13.1% |
| 100-29 Information Technology | 2,858,804 | 2,947,269 | 2,892,962 | 34,158 | 1.2% |
| 100-31 Public Works Administration | 705,111 | 787,173 | 787,173 | 82,062 | 11.6% |
| Streets | 1,773,724 | 1,906,294 | 1,906,294 | 132,570 | 7.5% |
| Solid Waste | 2,413,927 | 2,807,094 | 2,807,094 | 393,167 | 16.3% |
| Communications | 193,926 | 199,907 | 199,907 | 5,981 | 3.1% |
| Portland Downtown District | 414,126 | 411,055 | 411,055 | (3,071) | -0.7% |
| Winter Operations | 1,383,835 | 1,504,853 | 1,504,853 | 121,018 | 8.7% |
| Island Services | 757,211 | 823,097 | 823,097 | 65,886 | 8.7% |
| Traffic & Transportation Ops | 1,547,308 | 1,667,028 | 1,667,028 | 119,720 | 7.7% |
| Transportation Engineering | 441,885 | 484,194 | 484,194 | 42,309 | 9.6% |
| Engineering | 1,268,444 | 1,346,075 | 1,346,075 | 77,631 | 6.1% |
| Fleet Services | 3,552,126 | 4,264,833 | 4,376,633 | 824,507 | 23.2% |
| Total Public Works | 14,451,623 | 16,201,603 | 16,313,403 | 1,861,780 | 12.9% |
| 100-33 Parks & Recreation Admin | 418,208 | 519,940 | 514,589 | 96,381 | 23.0% |
| Parks | 819,594 | 1,057,088 | 1,057,088 | 237,494 | 29.0% |
| Forestry | 771,079 | 882,017 | 834,291 | 63,212 | 8.2% |
| Athletic Facilities | 919,875 | 942,489 | 942,489 | 22,614 | 2.5% |
| Cemeteries | 823,303 | 805,723 | 785,723 | (37,580) | -4.6% |
| Recreation | 1,510,842 | 1,809,159 | 1,809,159 | 298,317 | 19.7% |
| Aquatics | 542,260 | 536,670 | 536,670 | (5,590) | -1.0% |
| Golf Course | 1,008,813 | 1,102,600 | 1,050,902 | 42,089 | 4.2% |
| Golf Course Restaurant | 19,660 | 29,660 | 29,660 | 10,000 | 50.9% |
| Ice Arena | 522,891 | 531,153 | 531,153 | 8,262 | 1.6% |
| Public Assembly Facilities | 472,515 | 924,265 | 924,265 | 451,750 | 95.6% |
| Concessions | 389,405 | 532,466 | 532,466 | 143,061 | 36.7% |
| Custodial Services | 878,807 | 1,003,164 | 1,003,164 | 124,357 | 14.2% |
| Merrill Auditorium | 93,732 | 147,514 | 147,514 | 53,782 | 57.4% |
| Total Parks Rec & Facilities | 9,190,984 | 10,823,908 | 10,699,133 | 1,508,149 | 16.4% |

**CITY OF PORTLAND, MAINE
COMPARATIVE BUDGET PLAN FY2023**

July 1, 2021 - June 30, 2022

July 1, 2022 - June 30, 2023

City Manager's Recommendation

| | FY22 | FY23 Dept Submission | FY23 City Mgr's Recomm. | FY23-CM / FY22 \$ | % |
|--|----------------------|---------------------------------|------------------------------------|------------------------------|---------------|
| 100-35 Public Bldgs & Waterfront Admin | 412,961 | 458,517 | 458,517 | 45,556 | 11.0% |
| Trades | 622,623 | 617,991 | 617,991 | (4,632) | -0.7% |
| School HVAC | 558,036 | 618,574 | 618,574 | 60,538 | 10.8% |
| Public Safety Bldg. | 299,905 | 317,100 | 317,100 | 17,195 | 5.7% |
| City Hall | 649,284 | 778,587 | 778,587 | 129,303 | 19.9% |
| Merrill Auditorium (PB) | 673,655 | 207,455 | 207,455 | (466,200) | -69.2% |
| Hadlock Stadium | 267,845 | 299,395 | 299,395 | 31,550 | 11.8% |
| Expo Building | 207,020 | 207,870 | 207,870 | 850 | 0.4% |
| Canco Road Buildings | 418,400 | 407,130 | 407,130 | (11,270) | -2.7% |
| Other Public Buildings | 272,614 | 321,627 | 321,627 | 49,013 | 18.0% |
| Waterfront | 1,135,799 | 1,504,009 | 1,504,009 | 368,210 | 32.4% |
| Total Public Bldgs & Waterfront | 5,518,142 | 5,738,255 | 5,738,255 | 220,113 | 4.0% |
| 100-44 HHS - Administration | 338,515 | 508,407 | 508,407 | 169,892 | 50.2% |
| Public Health | 2,356,743 | 2,877,587 | 2,877,587 | 520,844 | 22.1% |
| Social Services | 16,714,830 | 57,000,745 | 60,000,745 | 43,285,915 | 259.0% |
| Barron Center | 16,537,167 | 17,076,665 | 17,076,665 | 539,498 | 3.3% |
| Total HHS | 35,947,255 | 77,463,404 | 80,463,404 | 44,516,149 | 123.8% |
| 100-47 Debt Service | 48,355,413 | 52,546,994 | 52,546,994 | 4,191,581 | 8.7% |
| 100-48 Public Library | 4,006,394 | 4,312,969 | 4,312,969 | 306,575 | 7.7% |
| 100-51 Pension | 8,531,837 | 9,448,120 | 9,448,120 | 916,283 | 10.7% |
| 100-52 Health Insurance | 17,994,636 | 18,154,207 | 18,154,207 | 159,571 | 0.9% |
| Workers' Comp | 1,692,000 | 1,697,605 | 1,697,605 | 5,605 | 0.3% |
| FICA | 1,325,660 | 1,325,660 | 1,325,660 | 0 | 0.0% |
| Group Life | 230,240 | 230,240 | 230,240 | 0 | 0.0% |
| Unemployment | 100,000 | 100,000 | 100,000 | - | 0.0% |
| Total Employee Benefits | 21,342,536 | 21,507,712 | 21,507,712 | 165,176 | 0.8% |
| 100-61 Contingent | 250,000 | 350,000 | 350,000 | 100,000 | 40.0% |
| 100-62 Liability Insurance | 817,034 | 901,907 | 901,907 | 84,873 | 10.4% |
| 100-65 Regional Transportation Program | 78,480 | 67,939 | 67,939 | (10,541) | -13.4% |
| Contributions | 689,149 | 709,645 | 709,645 | 20,496 | 3.0% |
| Total Memberships/Contributions | 767,629 | 777,584 | 777,584 | 9,955 | 1.3% |
| 100-67 Wage Adjustment | 637,738 | 0 | (150,000) | (787,738) | -123.5% |
| Total General Fund Expenditures | 201,989,428 | 256,893,853 | 258,074,746 | 56,085,318 | 27.8% |
| 100-63 County Tax | 7,147,309 | 7,563,215 | 7,563,215 | 415,906 | 5.8% |
| 100-65 Metro Assessment | 3,020,147 | 3,137,789 | 3,137,789 | 117,642 | 3.9% |
| Total General Fund and Assessments | \$212,156,884 | \$267,594,857 | \$268,775,750 | \$56,618,866 | 26.7% |

**CITY OF PORTLAND, MAINE
COMPARATIVE BUDGET PLAN FY2023**

July 1, 2021 - June 30, 2022

July 1, 2022 - June 30, 2023

City Manager's Recommendation

| | FY22 | FY23 Dept Submission | FY23 City Mgr's Recomm. | FY23-CM / FY22 \$ | % |
|---|----------------------|---------------------------------|------------------------------------|------------------------------|--------------|
| ENTERPRISE FUND REVENUES | | | | | |
| 31 Property Taxes, Current Year | - | - | - | - | - |
| 32 Licenses & Permits | \$12,600 | \$8,700 | \$8,700 | (\$3,900) | -31.0% |
| 33 Intergovernmental | 1,951,053 | 5,716,660 | 5,716,660 | 3,765,607 | 193.0% |
| 34 Charges for Services | 36,602,681 | 36,602,681 | 38,302,827 | 1,700,146 | 4.6% |
| 36 Use of Money and Property | 19,200,733 | 24,484,568 | 24,484,568 | 5,283,835 | 27.5% |
| 39 Other Sources | 452,612 | 523,596 | 523,596 | 70,984 | 15.7% |
| Fund Balance | (2,160,262) | (2,221,149) | (3,893,155) | (1,732,893) | 80.2% |
| Total Enterprise Fund Revenues | \$56,059,417 | \$65,115,056 | \$65,143,196 | \$9,083,779 | 16.2% |
| ENTERPRISE FUND EXPENDITURES | | | | | |
| 530 Fish Pier | \$421,641 | \$426,809 | \$427,217 | \$5,576 | 1.3% |
| 570 Sewer - Finance Admin | 98,104 | 101,027 | 101,027 | 2,923 | 3.0% |
| Sewer Public Works Admin | 747,715 | 866,856 | 883,910 | 136,195 | 18.2% |
| Sewer Operations (Districting) | 2,725,639 | 2,981,520 | 2,987,120 | 261,481 | 9.6% |
| Sewer Communications | 64,034 | 65,992 | 65,992 | 1,958 | 3.1% |
| Sewer Engineering | 620,541 | 655,162 | 635,197 | 14,656 | 2.4% |
| Sewer Debt Service | 8,805,095 | 9,234,630 | 9,234,630 | 429,535 | 4.9% |
| Sewer Fringe Benefits | 1,500,808 | 1,509,141 | 1,531,681 | 30,873 | 2.1% |
| PWD Assessment | 13,879,425 | 13,879,425 | 13,879,425 | 0 | 0.0% |
| Total Sewer | 28,441,361 | 29,293,753 | 29,318,982 | 877,621 | 3.1% |
| 571 Stormwater - Finance Admin | 253,389 | 280,160 | 280,160 | 26,771 | 10.6% |
| Stormwater Management | 1,685,091 | 1,854,034 | 1,853,709 | 168,618 | 10.0% |
| Debt Service | 954,037 | 2,660,693 | 2,660,693 | 1,706,656 | 178.9% |
| Fringe Benefits | 356,144 | 349,156 | 351,984 | (4,160) | -1.2% |
| Total Stormwater | 3,248,661 | 5,144,043 | 5,146,546 | 1,897,885 | 58.4% |
| 583 Jetport Admin | 1,094,140 | 1,239,982 | 1,239,982 | 145,842 | 13.3% |
| Marketing | 417,390 | 429,390 | 429,390 | 12,000 | 2.9% |
| Fringe, Indirects & Chargebacks | 4,208,328 | 4,619,594 | 4,587,702 | 379,374 | 9.0% |
| Field | 4,235,206 | 4,617,834 | 4,617,834 | 382,628 | 9.0% |
| General Aviation | 17,168 | 18,576 | 18,576 | 1,408 | 8.2% |
| Jetport Operations | 2,439,490 | 2,773,732 | 2,773,732 | 334,242 | 13.7% |
| Terminal | 6,385,111 | 7,619,069 | 7,619,069 | 1,233,958 | 19.3% |
| Parking | 4,475,890 | 5,080,154 | 5,080,154 | 604,264 | 13.5% |
| Airfield Deicing | 675,031 | 713,945 | 713,945 | 38,914 | 5.8% |
| Jetport Anticipated Surplus | - | 3,138,175 | 3,170,067 | 3,170,067 | #DIV/0! |
| Total Jetport | 23,947,754 | 30,250,451 | 30,250,451 | 6,302,697 | 26.3% |
| Total Enterprise Fund Expenditures | \$56,059,417 | \$65,115,056 | \$65,143,196 | \$9,083,779 | 16.2% |
| TOTAL CITY EXPENDITURES | \$268,216,301 | \$332,709,913 | \$333,918,946 | \$65,702,645 | 24.5% |

TAX RATE COMPUTATION--FY2023
City Manager's Recommendation

| | General Fund | County Tax | City General Fund | Enterprise Funds | TOTAL CITY |
|----------------------------|---------------------|--------------------|--------------------------|-------------------------|---------------------|
| Total Expenditures | \$261,212,535 | \$7,563,215 | \$268,775,750 | \$65,143,196 | \$333,918,946 |
| Less: Revenues | (172,188,832) | 0 | (172,188,832) | (69,036,351) | (241,225,183) |
| Surplus | 0 | 0 | 0 | 3,893,155 | 3,893,155 |
| Tax Levy | \$89,023,703 | \$7,563,215 | \$96,586,918 | \$0 | \$96,586,918 |
| Valuation | 14,729,000,000 | | | | |
| Tax Rate: | - | | | | |
| FY23 | \$6.05 | \$0.51 | \$6.56 | \$0.00 | \$6.56 |
| FY22 | \$5.73 | \$0.49 | \$6.22 | \$0.00 | \$6.22 |
| \$ Increase | \$0.32 | \$0.02 | \$0.34 | \$0.00 | \$0.34 |
| % of Total Increase | 5.2% | 0.3% | 5.5% | 0.0% | 5.5% |

CITY OF PORTLAND, MAINE

FY2023 Non-Tax Revenue

Excludes Taxes & Surplus

City Manager's Recommendation

| Department | FY21 Collected | FY22 Est (budget) | FY23 Est (budget) | FY23 Est vs FY22 Est (budget) | % |
|----------------------------------|----------------------|-------------------------|-------------------------|--|--------------|
| General Fund Revenues: | | | | | |
| City Council | \$5,500 | \$5,000 | \$5,000 | \$0 | 0.0% |
| City Clerk | 176,928 | 178,540 | 183,643 | 5,103 | 2.9% |
| Executive | 987,507 | 895,724 | 915,794 | 20,070 | 2.2% |
| Assessor | 883 | 1,000 | 500 | (500) | -50.0% |
| Finance | 22,929,928 | 20,372,904 | 28,763,280 | 8,390,376 | 41.2% |
| Legal | 156,684 | 192,940 | 201,587 | 8,647 | 4.5% |
| Human Resources | 100,211 | 53,692 | 56,388 | 2,696 | 5.0% |
| Parking | 7,846,339 | 10,281,259 | 9,895,584 | (385,675) | -3.8% |
| Housing & Economic Dev | 1,232,690 | 1,277,391 | 1,487,084 | 209,693 | 16.4% |
| Police | 2,544,075 | 2,106,238 | 2,350,462 | 244,224 | 11.6% |
| Fire | 5,042,073 | 4,594,331 | 5,305,845 | 711,514 | 15.5% |
| Dispatch Services | - | 1,116,240 | 1,127,544 | 11,304 | 1.0% |
| Planning & Development | 601,190 | 739,313 | 683,322 | (55,991) | -7.6% |
| Permitting & Inspections | 5,492,551 | 5,112,419 | 5,282,589 | 170,170 | 3.3% |
| Information Technology | 400,380 | 313,180 | 322,599 | 9,419 | 3.0% |
| Public Works | 6,192,862 | 5,342,603 | 5,896,834 | 554,231 | 10.4% |
| Parks, Rec & Facilities | 4,862,519 | 7,277,693 | 7,538,313 | 260,620 | 3.6% |
| Public Bldgs & Waterfront | 1,465,887 | 3,595,351 | 2,092,379 | (1,502,972) | -41.8% |
| HHS--Administration | 11,632 | - | - | - | #DIV/0! |
| HHS--Public Health | 1,647,922 | 1,496,154 | 1,869,838 | 373,684 | 25.0% |
| HHS--Social Services | 16,848,801 | 10,318,690 | 49,606,117 | 39,287,427 | 380.7% |
| HHS--Barron Center | 20,344,037 | 22,458,574 | 20,852,437 | (1,606,137) | -7.2% |
| Employee Benefits | 7,014,493 | 7,704,810 | 7,046,332 | (658,478) | -8.5% |
| Insurance | 159,542 | 197,138 | 216,063 | 18,925 | 9.6% |
| Debt Service Reimb. | 19,262,417 | 20,004,027 | 24,982,556 | 4,978,529 | 24.9% |
| Memberships / Other | 654,516 | 640,265 | 640,265 | - | 0.0% |
| Total General Fund: | \$125,981,568 | \$126,275,476 | \$177,322,355 | \$51,046,879 | 40.4% |
| Enterprise Funds Revenue: | | | | | |
| Fish Pier Authority | 586,464 | 580,274 | 643,448 | 63,174 | 10.9% |
| Sewer | 26,489,675 | 28,957,451 | 30,197,514 | 1,240,063 | 4.3% |
| Stormwater | 6,797,771 | 7,417,771 | 7,944,938 | 527,167 | 7.1% |
| Jetport | 25,424,383 | 21,264,183 | 30,250,451 | 8,986,268 | 42.3% |
| Total Enterprise Funds: | \$59,298,293 | \$58,219,679 | \$69,036,351 | \$10,816,672 | 18.6% |
| Total City Revenue | \$185,279,862 | \$184,495,155 | \$246,358,706 | \$61,863,551 | 33.5% |

FY2023 CITY BUDGET SUMMARY

by category

City Manager's Recommendation

| | FY22 Approp. | FY23 Proposed | \$ +/- | % +/- | % Of Total |
|-------------------------------|----------------------|----------------------|---------------------|--------------|---------------|
| 01 Personnel--General Fund | \$84,925,475 | \$91,885,290 | \$6,959,815 | 8.2% | 34.2% |
| --Ent Funds | 7,297,822 | 7,866,336 | 568,515 | 7.8% | 12.1% |
| Total | 92,223,297 | 99,751,626 | 7,528,330 | 8.2% | 29.9% |
| 02+ Contractual--General Fund | 67,969,401 | 112,962,381 | 44,992,980 | 66.2% | 42.0% |
| --Ent Funds | 29,660,130 | 31,664,589 | 2,004,460 | 6.8% | 48.6% |
| Total | 97,629,531 | 144,626,970 | 46,997,440 | 48.1% | 43.3% |
| 55+ Supplies--General Fund | 6,171,514 | 6,723,586 | 552,072 | 8.9% | 2.5% |
| --Ent Funds | 1,323,351 | 1,286,457 | (36,894) | -2.8% | 2.0% |
| Total | 7,494,865 | 8,010,043 | 515,178 | 6.9% | 2.4% |
| 63 Utilities--General Fund | 3,715,716 | 3,882,434 | 166,718 | 4.5% | 1.4% |
| --Ent Funds | 1,376,332 | 1,535,444 | 159,112 | 11.6% | 2.4% |
| Total | 5,092,048 | 5,417,878 | 325,830 | 6.4% | 1.6% |
| 70 Capital--General Fund | 1,019,365 | 775,065 | (244,300) | -24.0% | 0.3% |
| --Ent Funds | 2,712,550 | 3,822,300 | 1,109,750 | 40.9% | 5.9% |
| Total | 3,731,915 | 4,597,365 | 865,450 | 23.2% | 1.4% |
| 75 Debt Svc--Total GF | 48,355,413 | 52,546,994 | 4,191,581 | 8.7% | 19.6% |
| --Ent Funds | 9,566,838 | 11,702,503 | 2,135,665 | 22.3% | 18.0% |
| Total | 57,922,251 | 64,249,497 | 6,327,246 | 10.9% | 19.2% |
| 75 Jetport Rev Bond Debt Svc | 4,122,395 | 4,095,500 | (26,895) | -0.7% | 6.3% |
| Jetport Surplus | 0 | 3,170,067 | 3,170,067 | #DIV/0! | 4.9% |
| <hr/> | | | | | |
| Total General Fund | 212,156,884 | 268,775,750 | 56,618,866 | 26.7% | 100.0% |
| Total Enterprise Funds | 56,059,417 | 65,143,196 | 9,083,779 | 16.2% | 100.0% |
| Total | \$268,216,301 | \$333,918,946 | \$65,702,645 | 24.5% | 100.0% |

City of Portland
Staffing FTE Change
FY23 City Manager's Recommendation

| Department | FY18 | FY19 | FY20 | FY21 | FY22 | FY23 | +/- Chg |
|-------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|--------------------|
| General Fund: | | | | | | | |
| City Council | - | - | - | - | - | - | - |
| City Clerk | 7.8 | 7.9 | 7.9 | 7.9 | 7.9 | 8.6 | 0.7 |
| Executive | 13.0 | 10.5 | 9.5 | 8.5 | 8.5 | 9.5 | 1.0 |
| Assessor | 5.9 | 5.9 | 5.9 | 5.7 | 5.9 | 5.9 | - |
| Finance | 25.0 | 25.0 | 25.0 | 24.4 | 25.0 | 25.0 | - |
| Legal | 6.0 | 7.0 | 7.0 | 7.0 | 8.0 | 9.0 | 1.0 |
| Human Resources | 11.0 | 11.0 | 10.5 | 11.3 | 11.5 | 12.0 | 0.5 |
| Parking | 29.6 | 29.6 | 30.0 | 29.0 | 29.2 | 29.2 | - |
| Housing & Economic Dev. | 5.8 | 7.1 | 7.0 | 16.0 | 16.0 | 16.8 | 0.8 |
| Police | 232.3 | 226.3 | 227.0 | 224.0 | 189.0 | 187.0 | (2.0) |
| Fire | 229.2 | 226.0 | 226.0 | 224.0 | 224.0 | 226.0 | 2.0 |
| Dispatch Services | - | - | - | - | 36.0 | 35.0 | (1.0) |
| Planning & Urban Dev. | 24.0 | 24.0 | 24.0 | 17.0 | 17.0 | 17.0 | - |
| Permitting & Inspections | 28.0 | 28.0 | 28.5 | 30.8 | 35.0 | 36.0 | 1.0 |
| IT | 17.0 | 17.3 | 16.0 | 16.0 | 15.8 | 16.0 | 0.2 |
| Public Works | 129.0 | 131.0 | 131.5 | 122.1 | 126.5 | 129.0 | 2.5 |
| Parks & Rec | 161.5 | 142.0 | 141.7 | 116.4 | 113.7 | 126.7 | 13.0 |
| Public Bldgs & Waterfront | - | 24.5 | 24.5 | 22.0 | 24.0 | 24.4 | 0.4 |
| HHS Administration | 5.0 | 5.0 | 4.0 | 4.0 | 6.0 | 5.0 | (1.0) |
| Public Health | 25.0 | 27.1 | 28.3 | 32.3 | 31.8 | 38.4 | 6.6 |
| Social Services | 80.1 | 87.8 | 93.5 | 94.5 | 95.2 | 118.0 | 22.8 |
| Barron Center | 263.7 | 244.0 | 246.8 | 237.6 | 245.0 | 244.8 | (0.2) |
| <i>Total HHS:</i> | <i>373.8</i> | <i>363.9</i> | <i>372.6</i> | <i>368.4</i> | <i>378.0</i> | <i>406.2</i> | <i>28.2</i> |
| General Fund Subtotal: | 1,298.9 | 1,287.0 | 1,294.6 | 1,250.5 | 1,271.0 | 1,319.3 | 48.3 |
| Enterprise Funds: | | | | | | | |
| Sewer Fund | 30.0 | 33.0 | 33.0 | 34.0 | 34.0 | 34.0 | - |
| Stormwater Fund | 13.0 | 10.0 | 10.0 | 9.0 | 10.0 | 10.0 | - |
| Jetport Fund | 52.5 | 56.0 | 59.0 | 57.0 | 57.0 | 58.0 | 1.0 |
| Enterprise Subtotal: | 95.5 | 99.0 | 102.0 | 100.0 | 101.0 | 102.0 | 1.0 |
| Total City Employees: | 1,394.4 | 1,386.0 | 1,396.6 | 1,350.5 | 1,372.0 | 1,421.3 | 49.3 |

APRIL 2022

SUN MON TUE WED THU FRI SAT

01 02

*Finance
Committee
Meetings held
remotely until
further notice*

03 04 05 06 07 08 09

10 11 12 13 14 15 16

*City Council Meeting
5:00*

*Joint City/School
Finance Committee
Meeting 5:00 PM
Public Hearing on PPS
Budget*

17 18 19 20 21 22 23

*Patriot's Day Holiday
School Vacation Week*

School Vacation Week

School Vacation Week

School Vacation Week

School Vacation Week

24 25 26 27 28 29 30

*City Council Meeting
5:00
City Manager
Recommended Budget
Presentation*

*Finance Committee
Meeting 5:00 PM
Vote on PPS Budget*

31

MAY 2022

SUN MON TUE WED THU FRI SAT

*Finance
Committee
Meetings held
remotely until
further notice*

01 02 03 04 05 06 07

*City Council Meeting
5:00*

*Finance Committee
Meeting 5:00 PM*

08 09 10 11 12 13 14

*Finance Committee
Meeting 5:00 PM*

15 16 17 18 19 20 21

*City Council Meeting
5:00
City Budget 1st Read &
Public Hearing*

*Finance Committee
Meeting 5:00 PM*

22 23 24 25 26 27 28

*Finance Committee
Meeting 5:00 PM
Public Hearing & Vote on
City Budget*

29 30 31

Memorial Day Holiday

JUNE 2021

SUN MON TUE WED THU FRI SAT

*Finance
Committee
Meetings held
remotely until
further notice*

01 02 03 04

05 06 07 08 09 10 11

*City Council Meeting
5:00
City Budget 2nd Read,
Public Hearing and Vote*

12 13 14 15 16 17 18

19 20 21 22 23 24 25

28 29 30