

South Portland City Council
Position Paper of the City Manager

Subject:

ORDER #9-15/16 - Amending Resolve #16-14/15, the FY 2016 School Department's Amounts Appropriated for the total cost of funding public education from pre-kindergarten to grade 12 as described in the Essential Programs and Services Funding Act and Amounts to be raised as the City's contribution to the total cost of funding public education from pre-kindergarten to grade 12 as described in the Essential Programs and Services Funding Act in accordance with the Maine Revised Statutes, Title 20-A, section 15688. Passage requires majority vote.

and

ORDER #10-15/16 - Amending Resolve #18-14/15, the FY 2016 School Amounts Raised and Appropriated in Additional Local Funds, which exceed the State's Essential Programs and Services Allocation model. Passage requires majority vote.

Position:

The City Council approved a series of school budget resolves in regards to the School Department's FY15/16 budget at its May 18, 2015 meeting. Those resolves were based on the Governor's preliminary proposed budget funding plan. Since that time, the Legislature has passed the State of Maine budget, with an additional \$20,000,000 being distributed statewide for education locally. Monday July 6th, the South Portland School Department was notified that they should anticipate receiving an additional \$884,204 for FY16 in state education subsidy from the State.

To better reflect these revenues in the FY16 budget and to provide property tax relief to the taxpayers of South Portland, staff of both the School Department and the City Administration feel it is important to adjust the estimated revenues of the City prior to committing the FY16 property taxes. The City's Finance Director, Greg L'Heureux, has requested that the City Assessor, Elizabeth Sawyer, hold off on committing taxes until this new revenue can be reflected in an amended appropriation resolve. This will reduce the amount of property taxes needed to be raised and effectively lower the tax rate for the coming year.

The School Board meet Monday night, July 13, 2015, in workshop and the City Council and School Board meet in a joint workshop on July 15, 2015 and discussed the additional

revenue and school needs. The School board has scheduled a special meeting to make a recommendation to the City Council regarding the City's Essential Programs and Services Funding Act budget based on the State's budget as enacted and as reflected in the proposed order's #9 and #10 amending Resolves #16-14/15 and #18-14/15. These changes will reflect an increase in the State education subsidy of \$884,204 and a decrease in the amount provided from taxes for the school of \$480,000.

It should be noted that these proposed budget changes only reflect the additional revenues to be received by the City and do not authorize any additional expenditure as approved by the City Council on May 18, 2015 and as ratified by the voters at the June 9, 2015 School Budget Validation Referendum vote.

These changes will also be reflected into an amended Appropriation Resolve for FY16 per proposed ORDER #11-15/16.

Requested Action:

Council passage of ORDERS #9-15/16 and #10-15/16.


City Manager



CITY OF SOUTH PORTLAND

LINDA C. COHEN
Mayor

JAMES H. GAILEY
City Manager

SUSAN M. MOONEY
City Clerk

SALLY J. DAGGETT
Jensen Baird Gardner & Henry

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District Two
PATRICIA SMITH

District Three
MELISSA LINSKOTT

District Four
LINDA C. COHEN

District Five
BRAD FOX

At Large
MAXINE BEECHER

At Large
THOMAS E. BLAKE

IN CITY COUNCIL

ORDER #9-15/16

ORDERED, that RESOLVE #16-14/15 be and hereby is amended such that the aggregate amount to be raised by taxation as reflected in line 4 of the first (unnumbered) paragraph of RESOLVE #16-14/15 is hereby decreased from \$29,992,205.34 to \$29,108,001.17; and

BE IT FURTHER ORDERED, that all provisions of RESOLVE #16-14/15 are incorporated in this amendment and are hereby modified or amended to conform to this amendment but in all other respects are to be and shall continue in full force and effect.

Fiscal Note: \$35,174,906.70

Dated: July 15, 2015