

To the Belfast Property Tax payer

Re: Update on the 2014-15 Budget

From: City Manager, Joe Slocum

Date: June 19, 2014

Meetings:

The City Council has concluded its Work Sessions on the 2014-1015 Budget and has sent its recommendations to Public Hearing which will be scheduled for Thursday June 26th at 7:00 p.m. at City Hall. The vote on the proposed budget will be on Tuesday July 1, 2014 at the regularly scheduled Council Meeting.

Results:

The proposed new City Budget will represent an 8% increase in City property taxes over the last two years. There was a no City Budget increase this current year and no City employee received any cost of living increase. This increase only covers the City Tax bill and not the School Tax Bill or the County tax bill. The City increase would increase the Mil Rate by .35 so if your property was valued at \$100,000 then your City increase would be \$35.

Why ?:

What's driving the increase of \$341,773 to the Belfast Property tax payer ?

Health Insurance	\$174,000	(A \$50-55,000 under budget from this year plus, a Rate increase, plus some new employees)
Police Dept	\$96,000	(Two new positions for patrol for the first time in 28 years)
Ambulance	\$32,000	(One New Full Time Intermediate)
Water Bill	\$29,000	(Rate increase)
Retirement	\$29,000	(State Rate increase for State Retirement and new employees)
Total	\$360,000	

Big Picture: I attach two sheets.

The First (Page #3) shows the City's budget over the last 7 years and documents:

- an average property tax increase of 1.46% a year.
- the percentage of your Property Tax Bill that belongs to the City. If this budget is approved then 29.4 cents of every property tax dollar you pay will cover the City. The rest is School and County.
- Belfast Mil Rates over the Last 7 years broken down by City, County and School Mil rates

The Second Sheet (Page #4) " Belfast 7 years Budget numbers documents:

- The Decrease in State Revenue Sharing from \$940,403 to \$355,269. This is not because State Revenues are down but rather because the State cut our share to pay their own bills and transferred the loss to your property tax bill
- The declining amount of City Surplus used to lower the Property rate. Today Surplus runs about \$2,200,000 which is down from over \$4,000,000 in 2008.
- We could not have sustained these cuts (\$718,213) without making other cuts and adjustments of \$371,563

2007-08 2008-09 2009-10 2010-11 2011-12 2012-13 2013-14 2014-15

THE CITY OF BELFAST

Budget	7,729,829	8,096,090	8,000,842	8,180,867	8,046,065	8,090,661	8,136,894	8,667,958
Revenue	3,714,107	4,024,890	4,058,611	4,413,450	4,387,220	4,014,575	4,060,694	4,250,180
Prop Tax	4,015,722	4,071,110	3,942,231	3,767,417	3,658,845	4,076,086	4,076,045	4,417,778
% Change		1.80%	-3.20%	-4.45%	-2.90%	11.00%	0%	8.00%

Property tax net change over 7 years 10.25% an average of 1.46% / year over 7 years

Property tax dollar net change over 7 years \$434,064 an average of \$62,000 /year over 7 yrs

THE CITY OF BELFAST, THE SCHOOLS AND THE COUNTY

City % Prop Tax Bill		32.5	30.69	30.6	30.16	30.15	28.99	29.4
School %		56.6	58.78	59	60.73	59.9	61.48	61.9
County %		10.9	10.54	10.4	9.7	9.95	9.53	8.7
Prop Tax Bill Totals		100%	100%	100%	100%	100%	100%	100%

Mil Rate Comparisons

City Mil		6.04	5.55	5.55	5.34	5.97	6.03	6.4
School Mil		10.49	10.64	10.67	10.99	11.86	12.79	13.6
County Mil		2.02	1.91	1.88	1.77	1.97	1.98	1.91
Total Mil Rate	19.4	18.6	18.1	18.1	18.1	19.8	20.8	21.91

Additional

Cost per \$100,000 property		(\$80)	(\$50)	same	same	\$170	\$100	\$111
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4 years of reduction or same then three years of increase.

Average of \$36 a year over 7 years

Numbers from Joe Slocum June 12, 2014

Assumes same valuation as last year and a Belfast School Budget of \$9,762,449

