

# City of Portland, Maine

## City Manager's Recommended Budget



### **FY25 Budget**

July 1, 2024 – June 30, 2025

**City of Portland | Executive Department**

Danielle P. West, *City Manager*



**To:** Mayor Dion and Members of the Portland City Council

**CC:** City of Portland Leadership Team and City Staff

**From:** Danielle P. West, City Manager

**Date:** April 8, 2024

**Re:** City Manager's FY25 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 \$353 million FY25 Municipal Operating Budget. This is my third time submitting the City's operating budget to the City Council, but the first one since I accepted the permanent City Manager role. I continue to be enormously proud of the work City staff does each and every day to provide excellent municipal services to and for the City of Portland and its residents.

When our Finance Director gave his FY25 budget preview in January, he alerted us that once again we face many budget challenges, many of which are outside of our control. This year's initial budget gap looked to be about 50% worse than the previous year on the municipal side and was coupled with the largest budget shortfall we can recall ever seeing on the school side. On the municipal side of the budget alone, there were more than \$20M of known budget challenges as we began our budget work.

Over the last several months we have had several workshops and budget discussions with the Council and Finance Committee to set shared expectations for the upcoming budget year and address these challenges. During those discussions, the Council set guidance on limiting any tax rate increase to between 5 and 7%. The majority of the Council also noted they did not want to see cuts to core municipal services. Based on this guidance, I asked Departments to prepare their budgets conservatively. However, due to the significant challenges facing the City, many of them revenue related, the year-over-year tax levy increase based on conservative Department requested budgets was nearly 16%.

It was incredibly difficult to close the budget gap from the requested 16% down to within Council 5% to 7% guidance. Ultimately, we had to make revisions to Department requested budget proposals, set aside certain requests, and recommend fee increases to help balance the budget while at the same time ensuring that we addressed the needs of our workforce to the best of our ability since retention and recruitment continues to be a major focus.

We also had to double down on our lobbying efforts in Augusta since General Assistance (GA) funding (to address the homeless crisis) is the most significant challenge we faced throughout the development of this budget. Our ability to receive GA revenue continues to be critically important to our operations and overall budget. We remain the largest social services provider in the State when it comes to serving people who are at risk of or experiencing homelessness - whether that is by assisting those who are chronically homeless or asylum seekers who have come to Maine.

In fact, we have nearly doubled our City-operated shelter beds (to a total of 583) over the last year in an effort to shelter the most people in the most cost effective manner. More specifically, we worked to help develop and operate the new 179-bed shelter at 166 Riverside Industrial Parkway and expanded the capacity of the Homeless Services Center by 50 beds. At the same time we have opened additional shelter space, we have also worked to significantly reduce our use of costly hotels for emergency housing. The reduction of hotel use is a priority of the State and is critical to controlling

costs for the State and City GA budget.

The expansion of City-operated shelter space, as well as several Council approved grant and State funded programs, have resulted in the addition of approximately 58 FTEs (full-time employees) within Social Services in the FY25 budget as proposed. The majority of these staff, however, were added during FY24 to operationalize the items approved by the Council.

It is also worth noting that due to the significant community need and priorities of the Council, Social Services has been the driver of the overall FTE changes within the general fund as a whole. Looking back to FY20, there were approximately 1,200 FTEs in all City general fund Departments outside of Social Services. In my recommendation for FY25, the number of total FTEs for all other City Departments other than Social Services has again remained flat in an effort to deliver a budget within the Council guidance and address the Council's goals/priorities.

As a result of the major Social Services challenges we face, the City – including myself, the Mayor, our State delegation, and many members of City staff and City Council – continue to lobby for an increase in GA reimbursement rates and/or continued one-time payments to offset our growing commitment to sheltering the unhoused. We are thankful for the previous one-time payments we've received, and are pleased that the supplemental budget provides us with continuation of these one-time funds for FY25.

Other major budget challenges included the expiration of one-time federal ARPA funds, significant increases in health insurance costs which the City pays on behalf of our employees, rising contractually obligated union wage increases for our various unions, and an approximately \$5.7M increase in our debt service expenses due in part to the pension obligation bond.

Additionally, we continue to deal with a high number of staff vacancies, over 200 on average, which presents a budget and operational challenge – requiring costly overtime, use of more expensive external contractors, and significant extra hours and stress for other staff.

In light of all of the above challenges, and after a significant amount of work, I'm presenting you with a recommended FY25 budget that includes a **4.9% increase in the tax rate** on the city side of the overall budget with a new city-side mill rate of **\$7.30 per \$1,000 of assessed property value**. The impact of this increase on an average homeowner with a property valued at \$375,000 would be **\$127.50**. I know you have all seen the budget challenges faced by many municipalities in the region during our current budget cycle and I'm happy we are able to bring forth a tax rate increase below the budget guidance from Council. It is important to note that should there be any additional priorities or services the Council would like to address in this year's budget, I felt it most appropriate for those decisions to be made by the Finance Committee/Council during the upcoming 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:

FY16 - FY25 City of Portland Tax Rate History & Breakdown							
Fiscal Year	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	47.63%	\$ 5,240,009	3.29%	\$ 78,073,211	49.07%	\$ 159,098,413
FY17	\$ 78,445,570	47.78%	\$ 5,417,119	3.30%	\$ 80,331,376	48.92%	\$ 164,194,065
FY18	\$ 80,187,454	47.48%	\$ 5,907,743	3.50%	\$ 82,787,921	49.02%	\$ 168,883,118
FY19	\$ 83,323,749	46.91%	\$ 6,288,845	3.54%	\$ 88,003,431	49.55%	\$ 177,616,025
FY20	\$ 86,173,337	46.29%	\$ 6,640,316	3.57%	\$ 93,345,139	50.14%	\$ 186,158,792
FY21	\$ 86,743,535	46.12%	\$ 7,011,159	3.73%	\$ 94,338,744	50.16%	\$ 188,093,438
FY22	\$ 83,867,622	44.12%	\$ 7,149,309	3.76%	\$ 99,083,251	52.12%	\$ 190,100,182
FY23	\$ 89,023,793	44.41%	\$ 7,563,215	3.77%	\$ 103,851,071	51.81%	\$ 200,438,079
FY24	\$ 94,353,230	44.01%	\$ 9,206,423	4.29%	\$ 110,850,008	51.70%	\$ 214,409,661
FY25**	\$ 100,583,531	43.89%	\$ 9,175,647	4.00%	\$ 119,402,624	52.10%	\$ 229,161,802
The City portion of the overall tax levy has increased by \$24.8M or 32.7% since FY16 (3.2% CAGR)							
The County portion of the overall tax levy has increased by \$3.9M or 75% since FY16 (6.4% CAGR)							
The School portion of the overall tax levy has increased by \$41.3M or 53% since FY16 (4.8% CAGR)							

\* Note: FY24 County Tax Levy includes (and FY25-FY28 will also include) an additional \$761,342 due to County change to 6/30 year end

\*\* FY25 figures will be finalized in May/June 2024

CAGR = Compound Annual Growth Rate

The growth of the City portion of the property tax levy has been significantly outpaced by growth within the Cumberland County budget and Portland Public Schools portion of the tax levy.

#### FY25 DEPARTMENT HIGHLIGHTS OF NOTE

**Health & Human Services:** There are several highlights and components of the FY25 Health & Human Services budget request four major divisions: Social Services, HHS Admin, Public Health and the Barron Center

Within social services, the City has worked incredibly hard to open and expand our City-operated shelter locations. In the last year alone we have expanded that capacity by over 137 beds, going from an Oxford Street Shelter capacity of 154 to a brand new Homeless Services Center capacity of 258, plus adding a new shelter location at 166 Riverside Industrial Parkway with 179 beds. These are in addition to the capacity the City has for 42 families/146 individuals at our Family Shelter location. By opening these new shelter beds and working incredibly hard to transition families into permanent housing, we are able to reduce our reliance on hotels in FY25 and the reduction is estimated to be approximately \$9M, with a corresponding GA reimbursement reduction of \$6.3M. The net savings of \$2.7M helped us close a significant portion of our budget gap. It is important to note that should the amount of one-time funds from the State change as the State finalizes its budget, or if they make changes to GA rules or how they interpret those rules, that could have an impact on our final budget.

The social services budget includes funding to continue the additional 50 beds at the Homeless Services Center so we can continue to offer 258 beds. These beds have been consistently utilized due to the number of people experiencing homelessness. The equivalent cost of sheltering 50 individuals annually at a hotel would be approximately \$4M.

The Public Health budget includes several new grant funded positions and program funding increases within Family Health, Health Equity, the Portland Public Health Clinic, and Public Health Research. The FY25 budget also includes the appropriation of received and soon to be received 2023 and 2024 opioid settlement funds. City staff and the Council's Health and Human Services and Public Safety Committee will each have roles in determining how these funds are allocated in

accordance with their intended uses, and the public will also be given the opportunity to provide input.

The Barron Center budget sets a patient census target of 125 for the upcoming fiscal year and has set staffing levels as well as revenues and expenditures at this level.

**Public Works:** This department continues to manage a number of staffing vacancies and in recent years has given up full time equivalent positions in favor of more readily available (but more costly) outside contractors to do work formerly performed by City staff. This budget includes some target FTE increases to begin retaking some outside contracted services, generating a net savings to the taxpayer and providing the same or better levels of service. Additionally, the Public Works budget also proposes an increase in the cost of pay-as-you-throw trash bags to help offset the rising costs of disposal and recycling.

**Parks, Recreation & Facilities:** The Parks, Recreation and Facilities budget continues to see strong revenue increase to support their operations, with a nearly 9% increase in projected revenues supporting a 9.5% increase in expenditures. The Department added a Deputy Director position during FY24 as this department now oversees the Public Buildings and Waterfront Department.

**Public Buildings & Waterfront:** The significant increase in expenditures within this Department reflects approximately \$1.6 million for payments for electricity produced by renewable energy facilities across the state. These payments generate financial credits on our CMP bills that are guaranteed to exceed the payment made. This year we expect these projects to generate credits that will save the City and School Department in excess of \$500,000. The City Council and Portland Public School board approved participation in these projects in 2020 and they are now reaching commercial operation.

**Fire Department:** The Fire Department budget is up 7.7% to nearly \$22M for FY25 due in part to estimated increases in staffing costs. Total FTE within the Department is remaining flat for FY25. The Department continues to see rising levels of revenue reimbursement from EMS calls for service.

**Planning & Urban Development:** The Department contains no new FTE or major programmatic changes for FY25. The reduction in budget is due primarily to a change in the way the City is funding the bikeshare program - in the prior fiscal year the City had received a contribution from the State which was in turn passed along to the vendor. In the current fiscal year the program is set to be fully funded directly by the vendor.

**Police:** This budget implements fully the recent wage increases for the PBA and PSOPA unions passed by the City Council. The budget also includes continuation of our alternative response liaisons / behavioral health program - which had over 1,100 responses to calls in 2023. These positions were previously funded by an earmark program and are being funded in the local budget for the first time in FY25.

**Assessor:** This budget includes one new FTE for an Assistant Assessor in order to increase the amount of resources of this office as they begin the next revaluation process. This office does specialized work and having more support will help the City meet state standards and ensure continuity of staffing.

**Permitting & Inspections:** This department's budget does not include any new position requests and while there is a slight increase in expenditures they are also projecting an increase in revenue.

**City Manager:** The Executive Department budget added funding for additional Justice, Diversity, Equity and Inclusion (JDEI) efforts in FY24's budget to assist our JDEI Director in his work. During the course of FY24 the City hired a JDEI Associate with these funds and that position is showing as an added FTE in the FY25 budget. We are also eliminating the Chief of Staff position as Dena Libner was promoted to one of the Assistant City Manager positions.

**Portland Public Library:** The Portland Public Library (PPL) received a 5% increase in funding from their FY24 level and will receive payments of \$4,755,049 during FY25. This is in addition to \$675,000 in capital improvement plan funding allocated to PPL by the City Council in March 2024.

**Wage Adjustment:** This budget includes funding for potential future wage and contract increases from various Departments, which are anticipated to be needed in the upcoming fiscal year. The City has eight labor unions along with the non-union workforce and three Council appointed positions.

## FY24 RECAP

Despite continued staff vacancies across City departments, our staff did amazing things in FY24 with the resources they had available. Below are some key highlights from several departments.

First, our Health & Human Services Department has faced many challenges this year, but continues to respond impressively when confronted with complex situations. Despite these challenges, there have also been many proactive successes worthy of highlighting. The Department issued a 2023 Year in Review report related to our homeless services work, which is worth a read to garner a meaningful perspective on this segment of our community.

Our Social Services division continued to go above and beyond in providing services for those who are at risk of experiencing homelessness or need emergency shelter services. Our Prevention & Diversion team worked with 913 people, 60% of whom stayed at a shelter, 20% who completed shelter paperwork, but did not stay, and 19.5% who found another place to stay. The Homeless Services Center placed a total of 159 clients, 27 of whom were chronically homeless, into permanent housing. The 162 housing placements represent 33,283 bed nights or 91.9 years. The 27 chronically homeless placements represented 10,664 of those bed nights or 32%. The Family Shelter placed 55 families representing 199 individuals into housing placements.

In December 2023, City staff opened the 166 Riverside Shelter at 166 Riverside Industrial Parkway to provide low-barrier, temporary emergency shelter to asylum seeking individuals experiencing homelessness over the age of 18. 166 Riverside St started as a vision to serve single adult asylum seekers in a more efficient way through a setting that affords service providers a centralized location to complete service delivery on-site. This vision began when as a community we saw an increased number of single adult asylum seekers arriving to call Maine, specifically Portland, home. While we have for many years welcomed asylum seeking families to Portland the arrival of singles was a new trend. As that trend increased and beds at the Homeless Services Center became occupied, there was an increased unsheltered population. 166 Riverside became a solution to both help build shelter capacity and serve those who have traditionally been underserved.

The Homeless Services Center's bed capacity was temporarily increased by 50 beds in response to the significant number of unsheltered individuals in the city, public health and safety hazards existing at encampments, and the imminent threat of further danger to those individuals' health and safety during the winter season. As a result of the increase in shelter capacity from asylum seekers moving to the 166 Riverside Industrial Parkway shelter, and adding 50 beds, outreach workers had greater success in helping individuals access shelter, addressing urgent health needs, preventing fatalities, and mitigating the public health and safety consequences of hazardous encampments.

Over the past year, the Public Health Division has continued its efforts in providing STD, primary care, and harm reduction services to Portland's underserved communities. Our Harm Reduction and Overdose Prevention services completed 6,178 total syringe exchanges and provided 2,789 referrals to community-based organizations for support with physical and behavioral health, basic needs, and recovery. They also distributed 5,067 Naloxone kits, which provide more than 10,000 doses of Narcan. For clinical services, our Maternal and Child Health program completed 1,513 home visits, 191 patients were seen by the Portland Community Free Clinic, 3,494 vaccines were administered by

the Immunization Program, 663 referrals were provided by the Mobile Medical Outreach team to community-based providers, 1,482 patients were seen in the STI clinic, and 768 people were provided services through our Screening, Prioritization, and Urgent Referral (SPUR) program. This work reflects the Public Health Division's commitment to providing essential services and responding to the evolving public health needs of the community.

For our Planning & Urban Development Department, 2023 included a significant amount of both development review and long range planning activity. With regard to new housing within the city, 1,130 housing units were approved, 528 of which were dedicated affordable units. 2023 also saw 489 units of prior year housing approvals completed and occupied and another 600 currently under construction, with more expected to break ground in 2024.

Significant approvals shepherded through the planning review process in 2023 included 165 Lambert Street (162 housing units, 58 Fore Street (396 housing units, 128-room hotel, 81,558 SF commercial space), 76 Congress (The Hill Arts, new theater construction), Evergreen Cemetery expansion, Abyssinian Meeting House addition, 48 Brown Street (54 housing units, mixed-use), 1 Bean Pot Circle (B&M Cannery rehabilitation), and the Bayside MDP (master plan for hundreds of housing units, mixed uses and public realm investments). Long range, transportation, and policy initiatives included implementation of LD 2003, release of a Historic Preservation Impact Study, the Lincoln Park fence restoration, re-initiating the Franklin Street redesign, furthering the Libbytown Safety & Accessibility Project (recently awarded an \$22.4 million federal grant), and multiple bike/ped pathway improvements. The first wave of ReCode drafts were released for public review, including a package of climate resilient zoning tools, both on track to be before the Council for adoption this year.

Our small business community, which is the backbone of Portland's economy and contributes so much to its authenticity and character, faced challenges from the pandemic and reinventing their business service processes. In response, the Portland Development Corporation (PDC), staffed by the Housing and Economic Development Department, reviewed and approved Microenterprise Grants to 126 small businesses from FY2020 through FY2022 in the total amount of approximately \$530,000. During FY2024, with \$400,000 of ARPA Funds, the PDC reviewed and approved Microenterprise Grants to 81 small businesses, using up this \$400,000 pool of funds. Of the 81 approved grants, 33 went to organizations that represent racially, ethnically, or linguistically diverse communities, representing approximately 41 percent of the total grantees. Grants have been used for various purposes including marketing, inventory, rent, and payroll. The PDC has also approved three commercial loans to date in FY2024 totalling \$482,688. These funds have been used to open and expand several businesses in Portland that increase the City's tax base and provide employment opportunities.

ARPA funds allocated by the City Council to the child care approved use category are also being utilized to offer grants to aspiring day care providers and existing centers to open or expand, adding much needed day care slot openings to Portland. To date, one hundred new slots for care have been documented.

The Housing and Economic Development Department (HEDD) also administers the Brownfields Program, which provides funding for assessment and cleanup of environmentally contaminated properties to facilitate redevelopment. The City's Brownfields Assessment Fund and Revolving Loan Fund are important tools available to support land revitalization in the city. The City recently received a new round of Brownfields Grant Funding from the USEPA for assessment work in the amount of \$500,000, and just prior to that received \$3 million in grant funds to recapitalize the City Brownfields Revolving Loan/Grant Fund for clean-up work. These funds have been, and will continue to be, used to assess and remediate contamination at several sites in the City, catalyzing projects that provide affordable housing and other important outcomes to Portland businesses and residents.

Housing availability and affordability continue to be a focus of the Council's Housing and Economic Development Committee (HEDC) and City officials. The HEDC recently recommended to the City Council approval of the 2024 Affordable Housing Development and TIF Application, drafted by HEDD staff. The City Council approved this at its March 18, 2024 meeting, making available an estimated \$1,961,008 for investment in affordable housing, together with access to the City's Affordable Housing Tax Increment Financing Program. Housing and Community Development staff processed several applications for funding to assist in the creation of workforce housing. In 2023 and to date in 2024, the City Council approved the use of over \$3.6 million for projects that, when completed, will create 122 new units and renovate 64 additional units of affordable housing, and 20 units of workforce homeownership housing. Additional applications are under review.

The HEDD also is a steward of the waterfront as the City is a major contributor to its economic vitality with ownership of the Portland Fish Pier, Portland Ocean Terminal/Maine State Pier, and Ocean Gateway. As part of the CAD (Confined Aquatic Disposal) Cell project, an economic impact study was done in 2020 which detailed revenue and employment from 95 identified marine businesses which generate \$650,000,000 in revenue and employ 2,250. The CAD Cell project is in its final design/construction phase, with dredging for private and public pier owners beginning Winter 2024/2025.

The Waterfront Coordinator in the HEDD works with the Boards of the Portland Fish Exchange and the Portland Fish Pier Authority, which recently agreed to a merger of the two boards, with the anticipated merger to be brought to the City Council in May 2024.

The Office of Economic Opportunity, housed within the HEDD, recently launched a new and expanded Natural Helpers Program, now in the middle of the four-month fellowship with 12 Natural Helpers. This program is based on national best practices designed to improve the inclusivity of government services and programs. It relies on a partnership between the City and community leaders to help connect minority communities to resources in order to achieve a working, sustainable lifestyle in Portland.

Our Permitting and Inspections Department continues to see its workload increase. The department has been impacted by recent citizen-initiated referendum questions passed by voters. This includes the Green New Deal, Rent Control ordinance, and regulations related to Marijuana retail establishments. In FY22, the Department managed an increase in workload, staff shortages, and dealing with returning to more of a pre-pandemic model. In FY23, the Department is continuing to manage record breaking numbers on top of additional Rent Control Referendum amendOur Permitting and Inspections Department has not seen a slow down this past fiscal year, in fact their workload continues to increase. In FY23 we were still encountering record breaking numbers along with consistent staff shortages. The first half of FY24 has continued to see averages of over 100 permits applied for each week, over 250 inspections performed each week, more rental units added to the City and business licenses continuing to be applied for in vacant storefronts.

In FY23, permitting staff processed 2,891 building permits, 1,878 electrical permits and 439 plumbing permits. This was an overall increase from FY22. During the current fiscal year, we are continuing on that same trend for permit numbers. The City's five Building Inspectors performed 5,118 inspections in FY23.

The Business Licensing office is consistently busy with new businesses and renewal business license applications. The amount of temporary events are almost back to pre-pandemic numbers, which has increased the workload. In FY23, staff issued 1,675 business licenses and performed 1,435 Health Inspections. We also issued 87 Marijuana Licenses and performed 402 Marijuana Inspections.

In our Housing Safety Office, the division was required to collect data on more than 20,000 units, staff the Rent Board, and investigate illegal rent increases. This work is in addition to the safety inspections we conduct on rental units in Portland. The City's four inspectors are both Certified

Code Enforcement Officers and Certified Fire Inspectors. They handle Long-Term, Short-Term, Complaints and Rent Inspections. In FY23, the Inspectors performed 3,557 inspections. The office issued 4,231 Long-Term licenses, which accounted for 18,545 units. They also issued 729 Short-Term licenses, which accounted for 848. In FY24 three positions were added for Rent Control and currently two of those positions have been filled. That staff has taken over Rent Control Complaints and have begun proactive enforcement of the ordinance.

The Portland International Jetport continued its record for customer service in 2023, winning the Airports Council International's Best Airport of 2 to 5 Million Passengers & Most Dedicated Staff in North America awards. The Jetport also set an all-time passenger record serving 2.22 million total passengers in 2023. This exceeded the prior record set in 2019 before the pandemic by 1.8% and provided the Jetport with the distinction of being the only airport in New England to exceed its pre-pandemic passenger record. These robust passenger volumes allowed operating revenues to fully recover and exceed pre-pandemic levels by 8.9% in FY23. This trend is continuing in FY24 with passenger volumes up 14% through February over the same period in FY23. The Jetport is projecting continued growth in FY25 with revenues up 9.8% from FY24.

During the past year we took a number of important actions recommended in our climate action plan, One Climate Future. Our Electrify Bikes! Program made it possible for 70 low and moderate income residents to purchase an e-bike so they have reliable, energy efficient transportation. The program also supported the economy by partnering with local brick and mortar shops who agreed to provide participants with point of sale discounts.

This March, we Launched DIY Electrify!, the third round of local incentives to help residents make their homes more comfortable, save energy, and reduce carbon emissions. Residents earning up to 80% of LMI are eligible to receive a rebate of up to \$250 to cover the cost of small electric appliances such as induction cooktops and portable energy star dishwashers, energy savings devices such as clothes drying racks, and weatherization products such as insulating blinds and window sealing kits. Promotion included a mailer to all Portland residents and an ongoing effort to inform residents who primarily speak a language other than English. All DIY Electrify! materials are available in Spanish, French, Portuguese, Arabic, Vietnamese, and Somali. The DIY Electrify! website is also available in the same languages.

We implemented a new customer management platform to improve implementation of the City's Energy and Water Use Benchmarking Ordinance. It has streamlined the reporting process for building owners resulting in better compliance and more thorough and accurate reports. This has allowed staff to provide the building owners with feedback about the energy performance of their buildings and establishes an accurate baseline by which building owners can measure the success of future building upgrades and efficiency measures. We will be hosting the first of four planned commercial energy efficiency workshops in April to provide commercial property owners with information about rebates, incentives, and financing tools that can support energy efficiency projects. This will include discussion of the C-PACE ordinance passed by the City Council this spring.

This year we will expand the Sustainable Neighborhoods program beyond our two pilot neighborhoods to include all City neighborhoods. We work with residents and neighborhood leaders to promote actions that build social resilience through collaborative action. The Sustainability Office will announce details about the program at the City's Second Annual Earth Day Celebration on April 20 in Payson Park. We will also continue efforts to promote sustainable landcare practices in alignment with Portland's landcare ordinance. This will include continued promotion of our successful Mow Tall Until Fall campaign launched last summer and a second summer series of informational webinars with information about organic landcare and gardening practices.

Finally, with assistance from the US Department of Energy, we will develop a strategic plan to transition the City vehicle fleet to 100% zero emissions vehicles in order to implement the Council's goal to have municipal operations run on 100% clean energy by 2040. We will take a major step in

this effort by adding our first electric trash truck to the fleet before June 30.

Furthering our commitment to our environment and open spaces, our Parks, Recreation and Facilities Department budget supports many community and Council priorities, from maintaining 67 parks and 30 city and school playgrounds, to the planting of 200 trees annually. The budget supports beautification and enjoyment of the city through the Parks Division, which oversees planting of perennial plants, tulip beds, urban meadows and orchards, oversight of 8 miles of multi-use bike paths, and basic maintenance of our 67 parks and open spaces spread over 1,400 acres. The budget supports the Portland Youth Corps, which engages youth of diverse backgrounds in career exploration, service in our parks, and outdoor adventure. The budget also supports Recreational activities for the community such as the Before and After School Program with 1,000 participants, a youth basketball league with 500 participants, a Senior Adult program with over 500 participants, three city pools, and the Riverside Golf Course. Our Public Assembly Division runs our city venues and cultural institutions such as Merrill Auditorium, The James A. Banks, Sr. Portland Expo, Troubh Ice Arena, and Ocean Gateway. Our Custodial Division cleans all City buildings, and cleans our public park toilets daily. And our Cemetery Division budget supports maintenance and operation of 13 City cemeteries, including 11 historic cemeteries that are largely full, and Evergreen Cemetery and Forest City Cemetery which are still active and offer families a beautiful location to bury and remember loved ones.

## CONCLUSION

I would like to thank the Finance Director Brendan O'Connell, 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 all of the Department Directors and their staff in developing their budget requests.

I'd also like to thank all City employees for all the work they've done in helping us address some extremely complex issues over this last year, as well as the exemplary municipal services they provide each and every day. I'm proud of how we all worked together to keep our community strong.

Finally, I'd like to thank the Council for advising us on your priorities and working collaboratively with staff. We look forward to reviewing this recommended budget in more detail with you in the weeks ahead.

Sincerely,

Danielle P. West  
City Manager

**CITY OF PORTLAND, MAINE  
COMPARATIVE BUDGET PLAN FY2024**

July 1, 2023 - June 30, 2024

July 1, 2024 - June 30, 2025

City Manager's Recommendation

		FY24	FY25	FY25-CM / FY24 \$ +/-	%
<b>CITY GENERAL FUND REVENUES</b>					
	31 Property Taxes	\$103,559,653	\$109,759,178	\$6,199,525	6.0%
	31 Other Local Taxes	5,588,477	2,320,022	(3,268,455)	-58.5%
	32 Licenses & Permits	7,285,573	7,430,794	145,221	2.0%
	33 Intergovernmental Revenue	40,700,479	38,137,410	(2,563,069)	-6.3%
	34 Charges for Services	40,723,175	43,475,199	2,752,024	6.8%
	35 Fines, Forfeits and Penalties	2,085,204	2,396,804	311,600	14.9%
	36 Use of Money and Property	13,056,181	17,230,269	4,174,088	32.0%
	39 Other Sources	48,113,223	56,520,587	8,407,364	17.5%
	Fund Balance Use / (Restoration)	761,343	-	(761,343)	-100.0%
	<b>Total General Fund Revenues</b>	<b>\$261,873,308</b>	<b>\$277,270,263</b>	<b>\$15,396,955</b>	<b>5.9%</b>
<b>GENERAL FUND EXPENDITURES</b>					
100-11	City Council	\$532,220	\$495,202	(\$37,018)	-7.0%
100-12	City Clerk	1,280,708	1,086,842	(193,866)	-15.1%
100-13	Executive	1,503,780	1,496,731	(7,049)	-0.5%
100-14	Assessor	547,107	644,687	97,580	17.8%
100-15	Finance Administration	1,392,938	1,506,175	113,237	8.1%
	Treasury	823,920	880,051	56,131	6.8%
	<b>Total Finance</b>	<b>2,216,858</b>	<b>2,386,226</b>	<b>169,368</b>	<b>7.6%</b>
100-16	Legal	1,120,002	1,166,929	46,927	4.2%
100-17	Human Resources	1,448,381	1,614,127	165,746	11.4%
100-18	Parking Administration	1,561,443	1,577,188	15,745	1.0%
	Elm Street Garage	293,774	307,601	13,827	4.7%
	Spring Street Garage	506,836	620,213	113,377	22.4%
	Temple Street Garage	119,120	120,450	1,330	1.1%
	<b>Total Parking/Garages</b>	<b>2,481,173</b>	<b>2,625,452</b>	<b>144,279</b>	<b>5.8%</b>
100-19	Economic Development Admin	979,625	997,955	18,330	1.9%
	Portland Development Corp	39,122	40,122	1,000	2.6%
	Housing & Community Development	778,390	738,789	(39,601)	-5.1%
	<b>Total Housing &amp; Economic Development</b>	<b>1,797,137</b>	<b>1,776,866</b>	<b>(20,271)</b>	<b>-1.1%</b>
100-21	Police Administration	1,396,123	1,531,368	135,245	9.7%
	Uniformed Operations Group	12,710,175	13,742,524	1,032,349	8.1%
	Bureau Investigative Services	2,529,955	2,795,120	265,165	10.5%
	Operations Support Services	1,063,100	1,138,617	75,517	7.1%
	Jetport Security	503,433	582,271	78,838	15.7%
	<b>Total Police</b>	<b>18,202,786</b>	<b>19,789,900</b>	<b>1,587,114</b>	<b>8.7%</b>

**CITY OF PORTLAND, MAINE  
COMPARATIVE BUDGET PLAN FY2024**

July 1, 2023 - June 30, 2024

July 1, 2024 - June 30, 2025

City Manager's Recommendation

		FY25-CM / FY24			
		FY24	FY25	\$ +/- ( )	%
100-22	Fire Administration	899,791	1,111,944	212,153	23.6%
	Code Enforcement & Comm Svcs	359,553	407,163	47,610	13.2%
	Field Operations	16,492,965	17,384,147	891,182	5.4%
	Operations Support Services	1,045,755	1,128,661	82,906	7.9%
	Air Rescue	1,474,498	1,797,728	323,230	21.9%
	<b>Total Fire</b>	<b>20,272,562</b>	<b>21,829,643</b>	<b>1,557,081</b>	<b>7.7%</b>
100-23	Dispatch Services	3,694,113	3,804,750	110,637	3.0%
100-24	Planning & Urban Dev. Admin	282,684	284,039	1,355	0.5%
	Planning	1,616,527	1,454,747	(161,780)	-10.0%
	<b>Total Planning &amp; Urban Development</b>	<b>1,899,211</b>	<b>1,738,786</b>	<b>(160,425)</b>	<b>-8.4%</b>
100-25	Permitting & Inspections Administration	206,737	221,196	14,459	7.0%
	Inspections	1,381,204	1,480,108	98,904	7.2%
	Housing Safety	824,333	858,512	34,179	4.1%
	Business Licensing	372,004	390,017	18,013	4.8%
	<b>Total Permitting &amp; Licensing</b>	<b>2,784,278</b>	<b>2,949,833</b>	<b>165,555</b>	<b>5.9%</b>
100-29	Information Technologies	3,212,243	3,419,321	207,078	6.4%
100-31	Public Works Administration	830,122	870,734	40,612	4.9%
	Streets	1,948,821	2,051,668	102,847	5.3%
	Solid Waste	3,055,233	3,580,326	525,093	17.2%
	Communications	214,763	227,292	12,529	5.8%
	Portland Downtown District	474,349	491,650	17,301	3.6%
	Winter Operations	1,450,785	1,602,467	151,682	10.5%
	Island Services	956,062	1,084,221	128,159	13.4%
	Traffic & Transportation Operations	1,758,878	1,844,982	86,104	4.9%
	Transportation Engineering	511,808	535,969	24,161	4.7%
	Engineering	1,392,734	1,534,314	141,580	10.2%
	Fleet Services	4,482,128	4,663,496	181,368	4.0%
	<b>Total Public Works</b>	<b>17,075,683</b>	<b>18,487,119</b>	<b>1,411,436</b>	<b>8.3%</b>
100-33	Parks Rec & Facilities Admin	528,648	703,844	175,196	33.1%
	Parks	1,199,129	1,441,574	242,445	20.2%
	Forestry	883,527	966,285	82,758	9.4%
	Athletic Facilities	1,031,807	1,004,626	(27,181)	-2.6%
	Cemeteries	696,000	703,355	7,355	1.1%
	Recreation	1,859,046	2,030,852	171,806	9.2%
	Aquatics	564,029	562,649	(1,380)	-0.2%
	Golf Course	1,186,340	1,282,069	95,729	8.1%
	Golf Course Restaurant	32,960	34,960	2,000	6.1%
	Ice Arena	570,647	583,989	13,342	2.3%
	Public Assemblies	1,038,567	1,095,474	56,907	5.5%
	Concessions	583,436	635,261	51,825	8.9%
	Custodial Services	1,031,921	1,247,638	215,717	20.9%
	Merrill Auditorium	221,519	225,296	3,777	1.7%
	<b>Total Parks Rec &amp; Facilities</b>	<b>11,427,576</b>	<b>12,517,872</b>	<b>1,090,296</b>	<b>9.5%</b>

**CITY OF PORTLAND, MAINE  
COMPARATIVE BUDGET PLAN FY2024**

July 1, 2023 - June 30, 2024

July 1, 2024 - June 30, 2025

City Manager's Recommendation

		FY25-CM / FY24			
		FY24	FY25	\$ +/- ( )	%
100-35	Public Bldgs & Waterfront Admin	479,394	488,116	8,722	1.8%
	Trades	657,625	685,516	27,891	4.2%
	School HVAC	735,454	745,159	9,705	1.3%
	Public Safety Bldg.	390,120	291,720	(98,400)	-25.2%
	City Hall	851,356	2,313,666	1,462,310	171.8%
	Merrill Auditorium (PB)	281,815	298,965	17,150	6.1%
	Hadlock Stadium	319,495	312,570	(6,925)	-2.2%
	Expo Building	273,580	281,900	8,320	3.0%
	Canco Road Buildings	408,730	411,530	2,800	0.7%
	Other Public Buildings	223,567	233,147	9,580	4.3%
	Waterfront	1,779,944	1,582,727	(197,217)	-11.1%
	<b>Total Public Buildings &amp; Waterfront</b>	<b>6,401,080</b>	<b>7,645,016</b>	<b>1,243,936</b>	<b>19.4%</b>
100-44	HHS - Administration	539,378	646,585	107,207	19.9%
	Public Health	2,988,798	3,892,451	903,653	30.2%
	Social Services	36,827,723	32,758,139	(4,069,584)	-11.1%
	Barron Center	15,258,453	15,990,597	732,144	4.8%
	<b>Total HHS</b>	<b>55,614,352</b>	<b>53,287,772</b>	<b>(2,326,580)</b>	<b>-4.2%</b>
100-47	Debt Service	54,596,478	60,312,600	5,716,122	10.5%
100-48	Public Library	4,528,618	4,755,049	226,431	5.0%
100-51	Pension	10,911,142	11,471,999	560,857	5.1%
100-52	Health Insurance	20,018,555	22,784,508	2,765,953	13.8%
	Workers' Comp	1,722,605	1,834,700	112,095	6.5%
	FICA	1,578,873	1,578,873	0	0.0%
	Group Life	260,451	260,451	0	0.0%
	Unemployment	100,000	100,000	-	0.0%
	<b>Total Employee Benefits</b>	<b>23,680,484</b>	<b>26,558,532</b>	<b>2,878,048</b>	<b>12.2%</b>
100-61	Contingency	250,000	250,000	-	0.0%
100-62	Liability Insurance	971,678	1,190,750	219,072	22.5%
100-65	Regional Transportation Program	66,522	80,028	13,506.00	20.3%
	Contributions	488,416	537,816	49,400	10.1%
	<b>Total Memberships/Contributions</b>	<b>554,938</b>	<b>617,844</b>	<b>62,906</b>	<b>11.3%</b>
100-67	Wage Adjustment	419,467	1,082,547	663,080	158.1%
	<b>Total General Fund Expenditures</b>	<b>249,424,055</b>	<b>265,002,395</b>	<b>15,578,340</b>	<b>6.2%</b>
100-63	County Tax	9,206,423	9,175,647	(30,776)	-0.3%
100-65	Metro Assessment	3,242,830	3,092,221	(150,609)	-4.6%
	<b>Total General Fund and Assessments</b>	<b>\$261,873,308</b>	<b>\$277,270,263</b>	<b>\$15,396,955</b>	<b>5.9%</b>

**CITY OF PORTLAND, MAINE  
COMPARATIVE BUDGET PLAN FY2024**

July 1, 2023 - June 30, 2024

July 1, 2024 - June 30, 2025

City Manager's Recommendation

		FY25-CM / FY24			
		FY24	FY25	\$ +/- ( )	%
<b>ENTERPRISE FUND REVENUES</b>					
31	Property Taxes, Current Year	-	-	-	
32	Licenses & Permits	\$7,200	\$7,200	\$0	0.0%
33	Intergovernmental	2,577,283	123,200	(2,454,083)	-95.2%
34	Charges for Services	39,552,717	40,189,434	636,717	1.6%
36	Use of Money and Property	29,145,565	34,662,302	5,516,737	18.9%
39	Other Sources	520,821	537,760	16,939	3.3%
	Fund Balance Use / (Surplus)	(335,111)	1,080,389	1,415,500	-422.4%
	<b>Total Enterprise Fund Revenues</b>	<b>\$71,468,475</b>	<b>\$76,600,285</b>	<b>\$5,131,810</b>	<b>7.2%</b>
<b>ENTERPRISE FUND EXPENDITURES</b>					
530	Fish Pier	\$421,638	\$417,706	(\$3,932)	-0.9%
570	Sewer Finance Admin	97,248	99,106	1,858	1.9%
	Sewer Public Works Admin	918,110	968,148	50,038	5.5%
	Sewer Operations	2,913,802	2,977,494	63,692	2.2%
	Sewer Communications	70,886	74,685	3,799	5.4%
	Sewer Engineering	661,115	715,695	54,580	8.3%
	Sewer Debt Service	9,805,378	10,228,388	423,010	4.3%
	Sewer Fringe Benefits	1,571,738	1,599,999	28,261	1.8%
	Sewer PWD Assessment	16,588,680	17,076,516	487,836	2.9%
	<b>Total Sewer</b>	<b>32,626,957</b>	<b>33,740,031</b>	<b>1,113,074</b>	<b>3.4%</b>
571	Stormwater Finance Admin	299,211	298,378	(833)	-0.3%
	Stormwater Management	2,455,063	2,464,142	9,079	0.4%
	Stormwater Debt Service	3,405,428	4,306,960	901,532	26.5%
	Stormwater Fringe Benefits	440,212	441,578	1,366	0.3%
	<b>Total Stormwater</b>	<b>6,599,914</b>	<b>7,511,058</b>	<b>911,144</b>	<b>13.8%</b>
583	Jetport Admin	1,254,338	1,293,932	39,594	3.2%
	Jetport Marketing	462,130	545,480	83,350	18.0%
	Jetport Fringe, Indirects & Chargebacks	4,971,391	5,698,633	727,242	14.6%
	Jetport Field	5,242,086	5,540,593	298,507	5.7%
	Jetport General Aviation	19,072	19,584	512	2.7%
	Jetport Operations	3,044,191	3,082,409	38,218	1.3%
	Jetport Terminal	8,575,374	11,009,925	2,434,551	28.4%
	Jetport Parking	5,192,557	5,767,060	574,503	11.1%
	Jetport Airfield Deicing	729,414	740,376	10,962	1.5%
	Jetport Anticipated Surplus	2,329,413	1,233,498	(1,095,915)	-47.0%
	<b>Total Jetport</b>	<b>31,819,966</b>	<b>34,931,490</b>	<b>3,111,524</b>	<b>9.8%</b>
	<b>Total Enterprise Fund Expenditures</b>	<b>\$71,468,475</b>	<b>\$76,600,285</b>	<b>\$5,131,810</b>	<b>7.2%</b>
	<b>TOTAL CITY EXPENDITURES</b>	<b>\$333,341,783</b>	<b>\$353,870,548</b>	<b>\$20,528,765</b>	<b>6.2%</b>

**TAX RATE COMPUTATION--FY2025**  
**City Manager's Recommendation**

	<b>General Fund</b>	<b>County Tax</b>	<b>City General Fund</b>	<b>Enterprise Funds</b>	<b>TOTAL CITY</b>
Total Expenditures	\$268,094,616	\$9,175,647	\$277,270,263	\$76,600,285	\$353,870,548
Less: Revenues	(167,511,085)	-	(167,511,085)	(75,519,896)	(243,030,981)
Surplus	0	-	0	(1,080,389)	(1,080,389)
<b>Tax Levy</b>	<b>\$100,583,531</b>	<b>\$9,175,647</b>	<b>\$109,759,178</b>	<b>-</b>	<b>\$109,759,178</b>
<b>Valuation</b>	<b>15,029,000,000</b>				
<b>Tax Rate:</b>					
FY25	\$6.69	\$0.61	<b>\$7.30</b>	\$0.00	<b>\$7.30</b>
FY24	\$6.34	\$0.62	<b>\$6.96</b>	\$0.00	<b>\$6.96</b>
<b>\$ Increase</b>	<b>0.35</b>	<b>(0.01)</b>	<b>0.34</b>	<b>-</b>	<b>0.34</b>
<b>% of Total Increase</b>	<b>5.0%</b>	<b>-0.1%</b>	<b>4.9%</b>	<b>0.0%</b>	<b>4.9%</b>

**City of Portland  
Staffing FTE Change  
FY25 City Manager's Recommendation**

<b>Department</b>	<b>FY20</b>	<b>FY21</b>	<b>FY22</b>	<b>FY23</b>	<b>FY24</b>	<b>FY25</b>	<b>+/- Chg</b>
<b>General Fund:</b>							
City Council	-	-	-	-	-	-	-
City Clerk	7.9	7.9	7.9	8.6	8.7	8.3	(0.40)
Executive	9.5	8.5	8.5	10.5	12.5	13.0	0.50
Assessor	5.9	5.7	5.9	5.9	5.9	6.9	1.00
Finance	25.0	24.4	25.0	25.0	25.0	25.6	0.6
Legal	7.0	7.0	8.0	9.0	9.0	9.0	-
Human Resources	10.5	11.3	11.5	12.0	13.60	14.60	1.00
Parking	30.0	29.0	29.2	29.2	29.0	29.0	-
Housing & Economic Dev.	7.0	16.0	16.0	16.8	15.8	14.8	(1.00)
Police	227.0	224.0	189.0	187.0	187.0	190.0	3.00
Fire	226.0	224.0	224.0	226.0	229.0	229.0	-
Dispatch Services	-	-	36.0	36.0	37.0	37.0	-
Planning & Urban Dev.	24.0	17.0	17.0	17.0	17.0	17.0	-
Permitting & Inspections	28.5	30.8	35.0	36.0	40.0	40.0	-
Information Technologies	16.0	16.0	15.8	16.0	19.0	19.1	0.1
Public Works	131.5	122.1	126.5	129.0	129.5	135.5	6.00
Parks & Recreation	141.7	116.4	113.7	126.7	130.4	133.8	3.40
Public Bldgs & Waterfront	24.5	22.0	24.0	24.4	24.6	26.6	2.00
HHS Administration	4.0	4.0	4.0	5.0	5.0	6.0	1.00
Public Health	28.3	32.3	32.8	38.4	36.6	40.6	4.00
Social Services	93.5	94.5	96.2	118.0	163.6	221.8	58.20
Barron Center	246.8	237.6	245.0	244.8	202.2	204.2	2.00
<i>Total HHS:</i>	<i>372.6</i>	<i>368.4</i>	<i>378.0</i>	<i>406.2</i>	<i>407.4</i>	<i>472.6</i>	<i>65.2</i>
<b>General Fund Subtotal:</b>	<b>1,294.6</b>	<b>1,250.5</b>	<b>1,271.0</b>	<b>1,321.3</b>	<b>1,340.4</b>	<b>1,421.8</b>	<b>81.4</b>
<b>Enterprise Funds:</b>							
Sewer Fund	33.0	34.0	34.0	34.0	34.0	34.0	-
Stormwater Fund	10.0	9.0	10.0	10.0	10.0	10.0	-
Jetport Fund	59.0	57.0	57.0	58.0	58.0	60.0	2.0
<b>Enterprise Subtotal:</b>	<b>102.0</b>	<b>100.0</b>	<b>101.0</b>	<b>102.0</b>	<b>102.0</b>	<b>104.0</b>	<b>2.0</b>
<b>Total City Employees:</b>	<b>1,396.6</b>	<b>1,350.5</b>	<b>1,372.0</b>	<b>1,423.3</b>	<b>1,442.4</b>	<b>1,525.8</b>	<b>83.4</b>