

## City Manager's Neighborhood Advisory Group Meeting of April 9, 2008

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Joe Gray, City Manager, presided over the meeting attended by all the various neighborhood associations and members of the Peaks Island Council.

The major topic of this meeting was the City Manager's proposed budget for Fiscal Year 2009 which begins July 1, 2008. The city departments requested the lowest amount of increase in over a decade of 4%. The proposed budget outlines an increase of 0.5% for all the city departments. The revenue needed to fund the budget comes from 65% other than property taxes such as building permits, excise taxes, fees, federal funds, grant funds and state revenue sharing most of which have declined significantly. 35% of the city's revenue comes from property tax payments. None of the city's current cash on hand fund balance can be used to meet this year's budget needs due to the Scotia Prince law suit settlement and last year's "loan" to the school department to meet their budget shortfalls. In order to maintain our high bond ratings, a set percentage of the year's budget must be maintained as cash on hand to serve as an adequate emergency reserve.

In the current proposed budget, 98 positions were cut. Of these 98 positions 25 are currently vacant meaning 73 individuals have had their positions eliminated. The cut positions were spread as equitably as possible across all departments. Structural changes within the city's departments were also made such as moving Parks & Recreation into Public Works and adapting the new name of Public Services. An outside consulting firm will also be retained to seek out additional efficiencies and savings. Some existing city buildings will also be sold. I made the comment that hopefully they would be sold to the private sector for additional property tax revenue.

Public comment will be held on both the city and school budgets on April 28<sup>th</sup> and May 5<sup>th</sup>.

On the issue of the Maine State Pier development project, substantial progress has been made in the negotiation process and an agreed on "offer sheet" should be reached within the next 30 days.

The last part of the meeting dealt with the new proposed R-5 Zoning amendments dealing with infill housing in significant portions of the East Deering, Libbytown, Oakdale, Deering Center and Rosemont neighborhoods. Two neighborhood meetings have been held to date, a Planning Board Workshop will be held on April 22<sup>nd</sup> and a Public Hearing will be held on May 27<sup>th</sup> before the final proposed amendments are forwarded to the City Council for possible action. This amendment would allow new single family homes to be built on lots of between 4,000 and 6,000 square feet, increase the density of multiplex housing and allow in-law apartments. Many concerns have been voiced in the first two neighborhood meetings and there is definitely no consensus to date on this significant issue.