

# TOWN OF GRAY

TO: Gray Town Council/Citizens of Gray  
FROM: Town Manager  
RE: 2008 Budget  
DATE: April 3, 2007

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Submitted herewith are the proposed draft municipal and special funds budgets for the Fiscal Year 2008 – July 1, 2007 to June 30, 2008. The proposed increase to the municipal budget is 6%, which is in excess of the LD 1 compliance cap recommended by the Maine Legislature. This limit was established in a year that a substantial amount of money was transferred from the UFB, in order to reduce the tax burden. The reduction in taxes was enjoyed by the taxpayers, however, this became an unrealistic benchmark to try to maintain. Gray voters will need to approve a separate referendum question in order to exceed this limit.

Concurrent with the budget submission, I am also recommending a bond issue be authorized in the amount of \$3.2 million in December 2008 for planned improvements for all of the various departments on the Seagull Drive site. Thus far, we have accomplished the construction of the Sand and Salt Shed and the improvements to the Transfer Station Disposal area. Left to be done is the construction of the new Public Works Garage, and the subsequent conversion of the existing garage to a Recycling Facility with indoor storage. It is anticipated that the operation costs in Public Works will be reduced, as well as, the quality of life and working conditions will be enhanced for the Transfer Station staff. The first bond interest would not impact fiscal year 2008, but in the next fiscal year (April 2009). The first payment and interest would be due October 2009 (FY10). October 2009 is also the last interest payment to be made on the Public Safety Bond, which is the Town's only **current** outstanding loan obligation.

## Changes proposed in this Budget:

- **COLA increase for all personnel.** A 3.5% cost of living adjustment has been identified for all personnel. Market Adjustment continues to be a difficult factor for the Town. We compete with many of the region's communities for labor. When we allow position compensation to fall below the competitive market we witness, among other factors, a greater disparity in what we have to pay to hire and even retain our qualified personnel.
- **The Planning Department is being restructured.** The new department will be called "Community Development." A full-time Engineer position has been proposed for the purposes of assistance for peer review and support to the Planning Board. Additionally, the expertise of this individual will oversee the proposed construction for the Public Works/Transfer Station project; assist with the upcoming bridge construction projects and road construction, as well as a maintenance program for our current infrastructure. The second position of this department is a proposed part-time Community Economic Development person. This individual will assist with the future economic development of our community. Hopefully, the first efforts will start this fiscal year with the downtown revitalization consisting of crosswalks, a median on Main Street and traffic signals to assist with pedestrian traffic. Lastly, \$25,000 has been identified for the purposes of amending our Zoning and Subdivision ordinances.
- **Code Enforcement.** We have employed a new Code Enforcement Officer who is not compensated at the rate of the previous CEO. Therefore, there is a \$7,390 decrease.

- **General Assistance.** The cost of this service has increased substantially state-wide, as this is a demand driven service to assist the neediest of Gray's citizens. The proposed budget is a 202% increase; partial reimbursements for these funds are offset by additional GA revenues.
- **Elections.** The recent charter amendment has driven this increase of \$3,450, which is 67% over previous years.
- **Debt Service.** We have paid off a previous debt and currently enjoy only one debt service that will end in October 2009, as noted in the second paragraph of this document.
- **Capital Projects.** An overall increase of \$74,978.00 from last year.
  - \$15,000 - a new municipal phone system for every department
  - \$2,150 - minor brick work to Town Hall
  - \$21,040 - a parking lot expansion and repaving at the Library
  - \$3,000 - an A/V security system at the Library to tag tapes/CD's to prevent theft
  - \$7,725 - re-point brickwork at Newbegin
  - \$3,359 - a security camera at the Public Safety building
  - \$12,000 - up to 3 new dry hydrants (hydrants to existing water sources to fill a pumper tank)
  - \$4,224 - alarm signal crosswalk near center of town for ADA
  - \$141,500 - a replacement of a 1985 Mac Wheeler dump truck (\$125,000) and a pick-up for Engineering (\$16,500)
  - \$375,120 - street construction
  - \$25,000 - radiant heaters for the Transfer Station
  - \$4,590 - pave aprons at Main Street Fire Station
  - \$11,000 - re-shingle Main Street Fire Station
  - \$85,500 - Westwood Road Bridge construction/engineering
  - \$200,000 - initial work to begin downtown revitalization
- **Employee Benefits.** There is a small 2.5% increase, achieved by the recent consolidation of the Communications to the Cumberland County Regional Dispatch Center, where a savings of \$56,249 has been identified. We are currently considering the feasibility of other health insurance providers where additional savings may also be realized.
- **Parks and Recreation.** We will continue to provide the same services as the community has always enjoyed with the core budget supported by tax dollars. The proposed decrease will represent a shift whereby the program net revenues from programs and activities in the Parks and Recreation enterprise fund will now fully support the salary of the assistant director.
- **Public Safety Services.** A full-time Fire Chief is proposed. The Town has historically paid a part-time salary for the benefit of a Fire Chief who worked full-time. The Public Safety Department has worked through the loss of our late Chief, as well as the consolidation of the dispatch services. We still need, however, to address an appropriate level of administrative leadership that can only be maintained by a full-time Chief. Professional development funds have been proposed (an increase of 31% over last year) in order to provide adequate training for this department.
- **Communications.** There is a savings of \$122,701 realized by consolidating this department with the County. With the prior savings identified previously within employee's benefits, a total savings of just under \$180,000 has been obtained through consolidation.

- **Public Works.** The responsibilities of an existing position have been identified to assist the Garage maintenance supervisor in order to keep up with the routine repairs and maintenance of the Public Works, Public Safety and Transfer Station equipment. It is worth noting that this budget also represents a decrease of one full-time position and an additional half-time position in this department, in order to fund the proposed Engineer position. The Director of Public Works is hopeful that the proposed Engineer will relieve him of administrative duties relative to peer review, street construction and various infrastructure projects.
- **Planning Board.** The increase in this budget is for professional services such as legal counsel, traffic studies and water/soils engineering.
- **Public Communications.** This is a new department that will replace the old website department. It is comprised of a part-time person who will be responsible for the administration of the Cable TV and the Gray Website. Additional monies have been identified for the purposes of providing interpreting services to citizens with disabilities. This department is supported by the annual cable franchise revenues.

#### **Revenues that impact the Budget:**

- **State Revenue Sharing.** The current 06/07 projected amount is approximately \$141,000 less than budgeted. Subsequently, given the downward trend, an additional \$50,000 less has been proposed for this proposed budget.
- **Sale of Post Office.** The post office has been on the market for six months. The sale has not occurred. \$200,000 was anticipated for the current budget. It is not proposed in the 2008 budget.
- **CIP Reserves/UFB (Savings).** \$116,000 has been identified for the annual amount for the Public Safety Vehicle Reserve. It is proposed to transfer this amount from the UFB. An additional \$200,000 has been identified for the first downtown revitalization project. It is proposed to transfer this amount from the UFB. Lastly, \$200,000 has been identified to fund the budget in FY08 by a one time transfer of prior years Penn cable savings.
- **Interest.** Revenues from investment income are up \$78,743, due to refined cash management practices and better interest rates negotiated with our local bank.

#### **Outstanding Issues:**

Due to the proposed state-wide consolidation of the school systems, the administration of MSAD 15 has not been able to finalize their proposed FY08 budget. Last Tuesday, they received potential revenue amounts that have not been finalized, at this date. The School District intends to make a formal budget presentation at the next Town Council meeting, April 17, 2007.

The Town Assessor is fervently working to capture all of the new assessments for this year. Once this has been accomplished, the final numbers of the budget will be determined.

In closing, I wish to thank the taxpayers of Gray for their input into this budget, the town council for their wise direction and understanding of the challenges, the department heads and staff who all helped to prepare the budget, and Michele Jackson and Diana Cronin for their assistance with the budget document.

Respectfully Submitted,

Deborah S. Cabana  
Town Manager