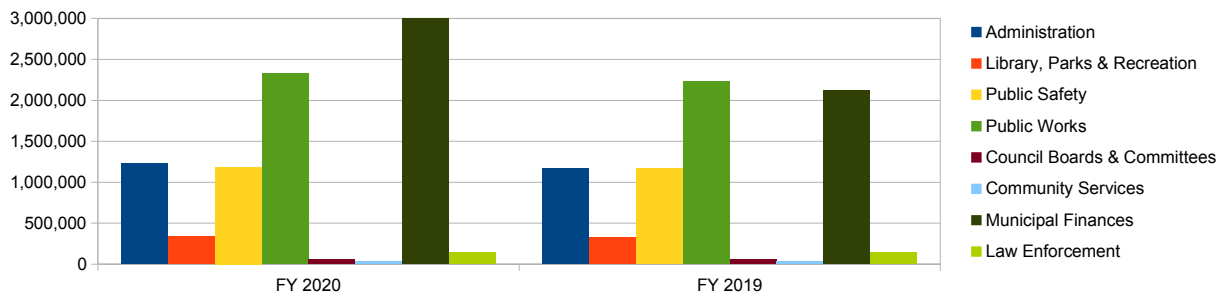


# Town of Gray – Proposed Municipal Budget FAQ

FY 2020 ( July 1, 2019 – June 30, 2020 )



## Budget Overview

The proposed 2020 budget is a **7.9 % increase** over the 2019 budget.

## Municipal Finances

**Health Insurance** (part of General Insurance Totals) shot up 25+%. Changes to coverage offered to employees reduced the increase to just over 9%. **Capital Reserve Fund Expenses** (including Debt Service) are higher this year. The largest costs are debt repayment and paving roads. In 2021 we begin to see a reduction in Debt Service payments. **These 2 budget lines account for 79.5% of the General Fund Expense increase in 2020.**

A **Contingency Fund** of \$25,000 is proposed. The fund's purpose is to cover accrued vacation and sick time paid to employees retiring or leaving the Town's employ.

## 3/12's Rule and the "Unassigned General Fund Balance"

Our Town Charter requires we keep a minimum fund balance of "2/12's up to 3/12's" of the Town's "Net Assessment". Two years ago voters approved borrowing \$500,000 from the fund for the Ladder Truck purchase, to be repaid by 2023. **This budget pays back \$400,000.**

## Capital Reserve Funds

The Council is committed to building up the Town's Capital Reserves (used to maintain buildings, infrastructure and purchase equipment). The 2020 budget includes \$100,000 for future Capital needs.

## School, Municipal & County Taxes Breakdown

**Schools 64 % + Municipal 32 % + County 4 % = 100 %**

The 2020 proposed budget increases are:

**Schools \$1,058,129. Municipal \$312,749. County \$60,744.**

## What is LD1?

In 2004 Maine passed the Municipal Expenditure Cap known as "LD1". **The cap restricts municipal funding. It does not restrict school or county funding.** Each year the cap is calculated by the State using an analysis of the Town's income growth potential and the Town's valuation. **The 2020 budget is about \$45,000 under the LD1 limit.**

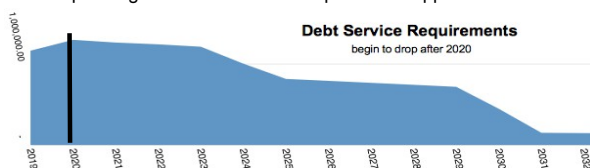
To spend more than the cap **voters must vote yes on 2 questions.** The 1<sup>st</sup> question raises and appropriates money for a specific project. The 2<sup>nd</sup> question asks permission to raise property taxes to cover costs.

**BOTH questions MUST pass or the project is defeated.**

## We have 4 LD1 questions on the ballot

**Articles 10 asks voters if they want increased coverage by the Cumberland County Sheriff's department.** Article 11 asks if we are willing to raise property taxes to pay for Article 10.

**Article 12 asks voters if they want to start a dedicated fund for the purchase of land.** The fund could be used to purchase land, rights of way needed for roads, intersections, sidewalks or a sewer system. For recreation, trails, open space, athletic fields, or economic development. Article 13 asks if we are willing to raise property taxes to pay for Article 12. Spending these funds would require voter approval.



More budget information is available at [www.graymaine.org](http://www.graymaine.org)

## Article 2 (a)

Gives the Town permission to **accept Federal, State & other revenue in order to help fund the 2020 budget.**

## Article 3

**The town is required to roll up the budget into the 8 categories shown in the chart above** and detailed on the Expense Budget sheet.

## Article 4

As **required by our Town Charter**, Section 6, Article II, Town Council compensation is voted on separately on the ballot.

## Article 5

Asks voters to appropriate money from the **Capital Reserve** Fund for:

\$	126,500	Public Buildings Maintenance
\$	145,000	Comp Plan, Traffic Studies & CIP
\$	30,200	Information Technology
\$	5,200	Library, Parks & Recreation
\$	8,725	Public Safety
\$	373,875	Roads & Sidewalks
\$	1,268,340	Bond repayment
<b>\$</b>	<b>1,957,840</b>	<b>Total Capital Improvement Projects</b>

## Article 6

The Town shall accept & spend for the designated purposes, various "Enterprise Accounts". Including fees from the Rec Dept, permits, etc.

## Article 7

Put proceeds from any Town owned property sold (vehicles, equipment, etc) with a value less than **\$100,000 in the Capital Reserve Fund.**

## Article 8

Shall accept gifts, fundraising or donations from the Rec Dept, Library, Fire/Rescue Assoc. & other groups to spend for the intended purposes.

## Article 9

Allows Town Council to authorize property tax abatement payments.

## Article 10

Shall the Town raise & appropriate \$167,177 to contract w/ Cumberland County Sheriff for 40 additional hrs per wk of coverage? Article 11, permission to increase the LD1 property tax limit must also pass.

## Article 11

Do you agree to raise the LD1 property tax limit set by Maine law so the \$167,177 needed for Article 10 can be raised through property taxes?

**Both Articles 10 and 11 must receive yes votes for Article 10 to pass.**

## Article 12

Shall the Town raise & appropriate \$50,000 for a dedicated fund used to acquire land for infrastructure, economic or recreational needs? Article 13, permission to increase the LD1 property tax limit must also pass.

## Article 13

Do you agree to raise the LD1 property tax limit set by Maine law so the \$50,000 needed for Article 12 can be raised through property taxes?

**Both Articles 12 and 13 must receive yes votes for Article 12 to pass.**

## Notes:

(a) Article 1 is reserved for electing a moderator at Town Meetings and does not appear on the ballot.