

TOWN OF GRAY
TOWN MANAGER'S BUDGET MESSAGE
FY 2017 PROPOSED BUDGET (as of 4-5-16)

Dear Town Council and Citizens of Gray;

I am pleased to submit the proposed municipal budget for the Fiscal Year 2017 (July 1, 2016-June 30, 2017). A great deal of effort has been dedicated to provide a responsible budget, balancing the necessity of maintaining the long-term Capital Improvement Plan and providing for the immediate needs of a growing, thriving community. The proposed Expense Budget is \$7,033,127, which is \$508,204 more than last year's budget and represents a 7.79% increase. The proposed Revenue Budget is \$3,339,681, which is \$508,204 more than last year's budget and represents a 17.95% increase. The resulting net increase is \$0.00, a 0% increase.

BUDGET FY 2017 IMPACT, CHANGES AND HIGHLIGHTS

REVENUE

| | |
|-----------------------------|------------|
| Excise (Auto) | 115,000.00 |
| Building Fees | 18,500.00 |
| Electric & Plumbing Permits | 8,500.00 |
| Payment Rebates | 5,000.00 |
| Assessing Contract Services | 66,786.00 |
| Recycling (Multiple items) | (4,600.00) |
| Planning Board Fees | 7,000.00 |
| GA Reimbursement | (4,200.00) |
| State Revenue Sharing | 20,116.00 |
| Transfers | 264,035.00 |

EXPENSES

| | |
|-----------------------|-------------|
| Municipal Operations* | 126,570.00 |
| General Assistance | (13,204.00) |
| Capital Projects | 315,593.00 |
| General Insurance | 67,859.00 |
| Public Works | 28,288.00 |
| Law Enforcement | (18,828.00) |

*-Detailed below but generally categorized as Town departmental functions.

Numbers in () are decreases.

BUDGET IMPACT, CHANGES AND HIGHLIGHTS ANALYSIS

Revenue

- ◆ **Excise Taxes (Auto)**

Increased to reflect the actual revenue over the past fiscal year.

- ◆ **Building Fees, Electric & Plumbing Permits**

Increased to reflect the actual revenue over the past fiscal year.

- ◆ **Payment Rebates**

The Town has partnered with NVoicePay to issue payments to the Town's vendors and the Town earns cash rebates based on a percentage of the payment.

- ◆ **Assessing Contract Services**

The Town Council entered into an agreement for shared Assessing services with Cumberland.

- ◆ **Recycling**

Decreased due to various factors and rates projected to be available for recyclable items. (Recyclable items are purchased from the Town by commercial vendors at various rates throughout the year.)

- ◆ **Planning Board Fees**

Increased to factor in an estimate in consideration of the actual revenue over the past fiscal year.

- ◆ **State Revenue Sharing**

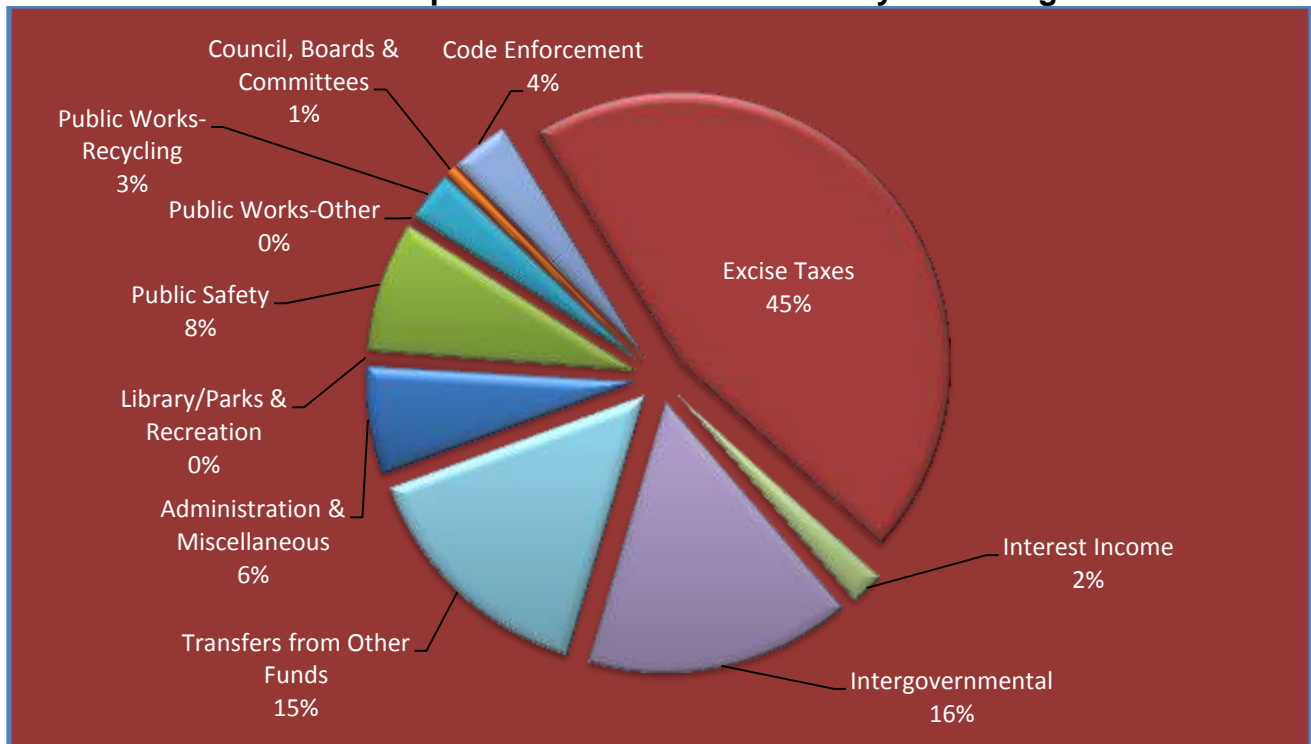
Increased to reflect the estimated amount for Gray most recently published by the State.

- ◆ **Transfers**

Increased for additional one-time transfers from other funds and amounts over the Unassigned General Fund Balance limit, into the General Fund, to then be directly transferred to the Capital Reserve Fund for use in the FY 2017 CIP.

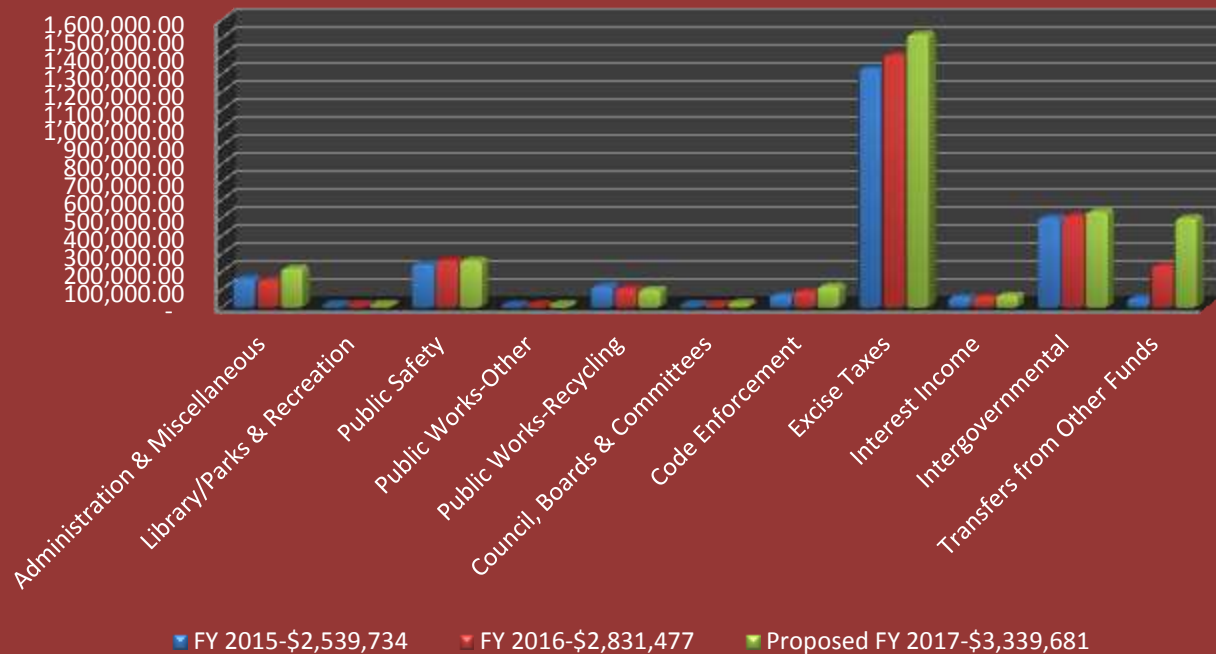
Revenue Budget Summaries

FY 2017 Proposed Revenue Breakdown by Percentage



3-year Revenue Budget Comparison

Town of Gray 3-year Revenue Budget Comparison



Expense

◆ **Municipal Operations**

The increase in this overall category can be highlighted by the following items:

- Personnel changes and expenses -- The following personnel changes have been proposed:
 1. Changes associated with these Assessing Services Contract with Cumberland;
 2. Additional full-time Firefighter/Rescue position for Public Safety;
 3. Additional Per Call hours required to cover all shifts;
- Heating fuel prices and gallon estimates for all buildings have been adjusted down depending on the fuel being used and to be consistent with fixed prices contracted by the Town;
- Vehicle gas and diesel prices have been adjusted down to be consistent with fixed prices contracted by the Town;

◆ **General Assistance**

General Assistance requirements are projected to be less based on actual expenditures.

◆ **Capital Projects**

Increased for transfer of funds into the Capital Reserve Fund for use in the FY 2017 CIP.

◆ **General Insurance**

Increased overall due to estimated rate adjustments for medical insurance provided to eligible Town employees as well as requirements of the Affordable Care Act.

◆ **Public Works**

Operationally, the multiple departments have the following changes proposed:

- Winter Roads Sand price per cubic yard has increased;
- Summer Roads Tree Work has been reclassified as operational and added to the General Fund from the CIP;
- Summer Roads additional Bridges & Guardrails work needed.

◆ **Recycling**

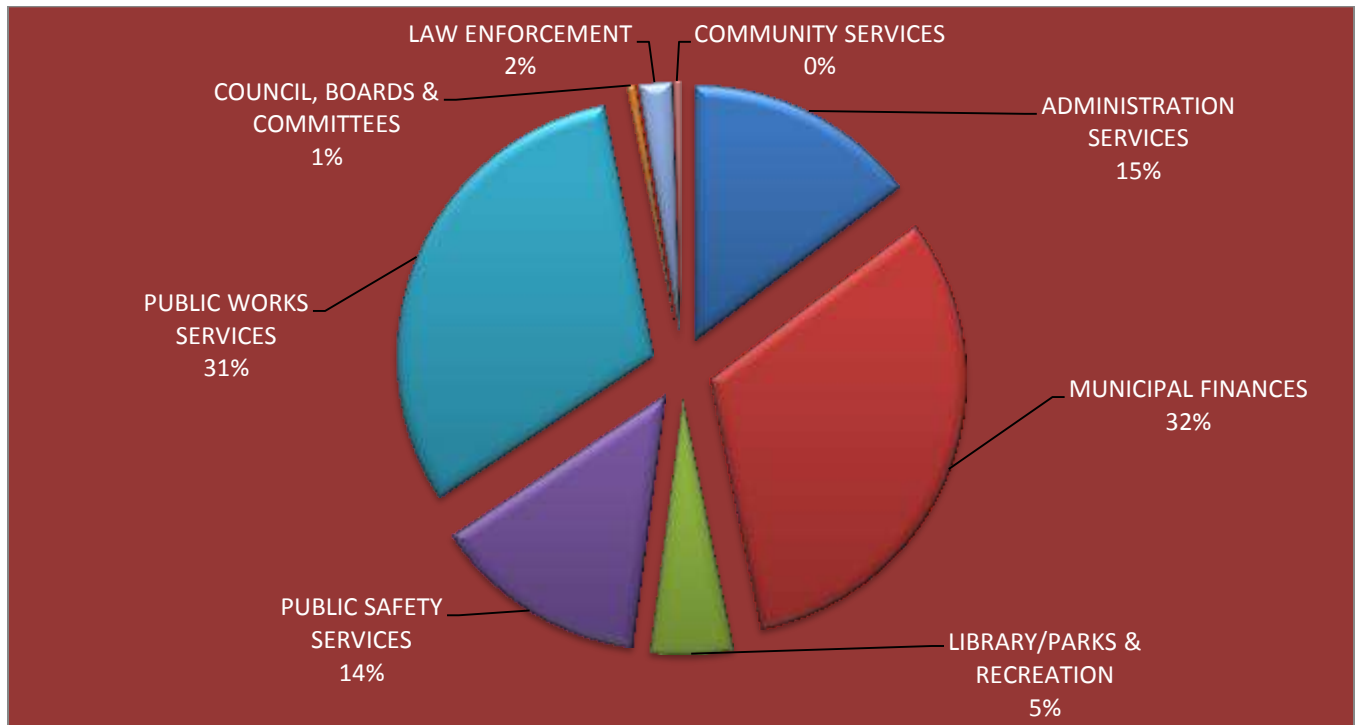
Increased due to the one-time equipment repair needs

◆ **Law Enforcement**

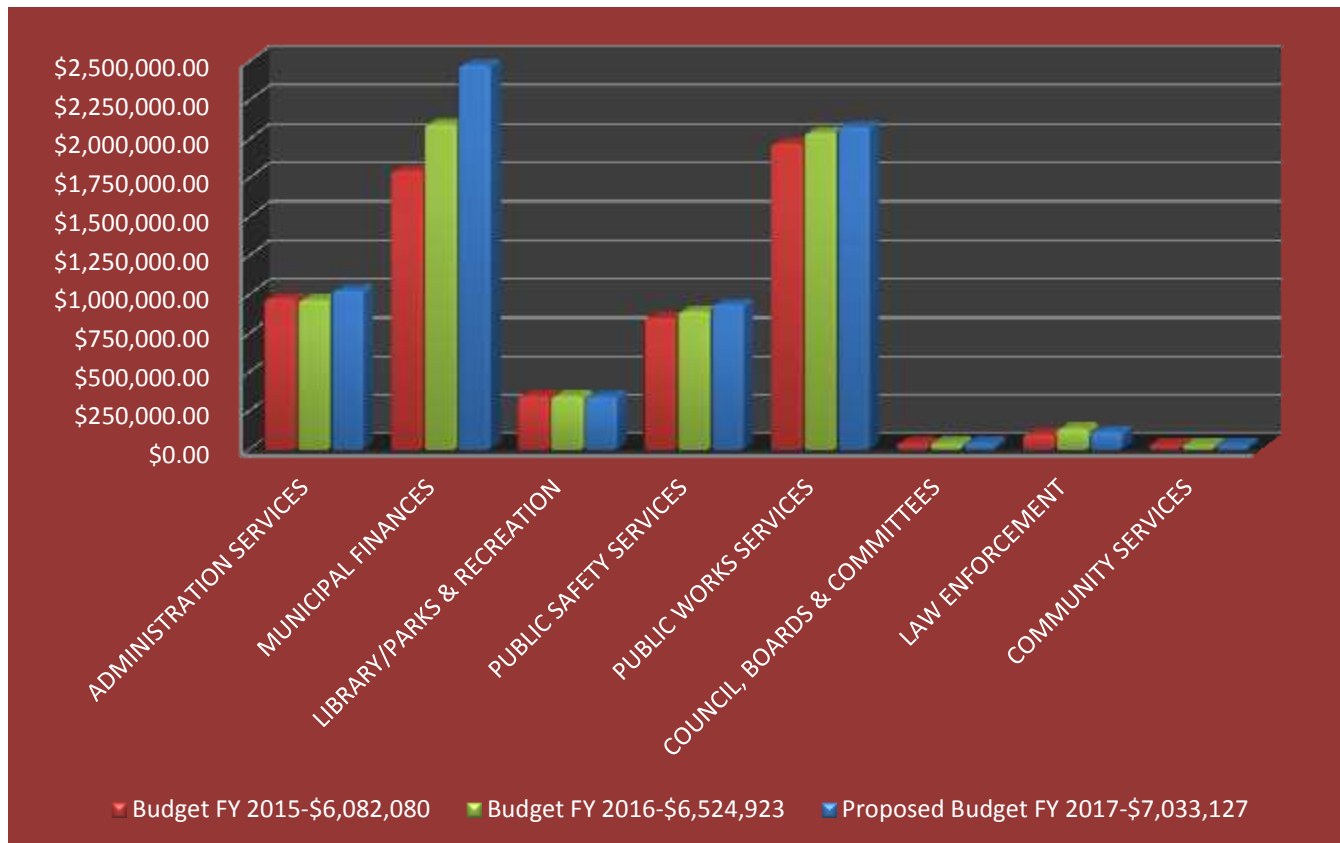
Decreased due to funds received through a multi-year grant awarded to the Cumberland County Sheriff's Office for a portion of the wages of the School Resource Officer hired for MSAD 15 who the Town also utilizes for up to a proposed 15 weeks of the year.

Expense Budget Summaries

FY 2017 Proposed Expense Warrant Breakdown by Percentage



3-year Expense Budget Comparison



Expense Budget Summaries Warrant Comparison

| BUDGET FY 2016 | | | PROPOSED BUDGET FY 2017 | | |
|---|----------------|-----------------------|---|----------------|-----------------------|
| ADMINISTRATION SERVICES | | | ADMINISTRATION SERVICES | | |
| Department | | Total Warrant | Department | | Total Warrant |
| Administration | \$450,109.00 | | Administration | \$450,165.00 | |
| Community Development | \$181,988.00 | | Community Development | \$201,685.00 | |
| Assessing | \$97,594.00 | | Assessing | \$141,548.00 | |
| Code Enforcement | \$97,887.00 | | Code Enforcement | \$104,789.00 | |
| General Assistance | \$46,388.00 | | General Assistance | \$33,184.00 | |
| Communications & Information | \$77,107.00 | | Communications & Information | \$82,388.00 | |
| Elections | \$10,412.00 | | Elections | \$10,210.00 | |
| TOTAL ADMINISTRATION SERVICES | | \$961,485.00 | TOTAL ADMINISTRATION SERVICES | | \$1,023,969.00 |
| MUNICIPAL FINANCES | | | MUNICIPAL FINANCES | | |
| Department | | Total Warrant | Department | | Total Warrant |
| Capital Projects | \$1,530,965.00 | | Capital Projects | \$1,846,558.00 | |
| General Insurance | \$561,846.00 | | General Insurance | \$629,705.00 | |
| TOTAL MUNICIPAL FINANCES | | \$2,092,811.00 | TOTAL MUNICIPAL FINANCES | | \$2,476,263.00 |
| LIBRARY/PARKS & RECREATION | | | LIBRARY/PARKS & RECREATION | | |
| Department | | Total Warrant | Department | | Total Warrant |
| Library | \$288,818.00 | | Library | \$284,866.00 | |
| Parks & Recreation | \$54,349.00 | | Parks & Recreation | \$54,310.00 | |
| TOTAL LIBRARY/PARKS & RECREATION | | \$343,167.00 | TOTAL LIBRARY/PARKS & RECREATION | | \$339,176.00 |
| PUBLIC SAFETY SERVICES | | | PUBLIC SAFETY SERVICES | | |
| Department | | Total Warrant | Department | | Total Warrant |
| Public Safety | \$713,708.00 | | Public Safety | \$758,180.00 | |
| Utilities | \$173,684.00 | | Utilities | \$173,684.00 | |
| TOTAL PUBLIC SAFETY SERVICES | | \$887,392.00 | TOTAL PUBLIC SAFETY SERVICES | | \$931,864.00 |
| BUDGET FY 2016 | | | PROPOSED BUDGET FY 2017 | | |
| PUBLIC WORKS SERVICES | | | PUBLIC WORKS SERVICES | | |
| Department | | Total Warrant | Department | | Total Warrant |
| Winter Roads | \$441,414.00 | | Winter Roads | \$449,058.00 | |
| Summer Roads | \$352,907.00 | | Summer Roads | \$373,551.00 | |
| Additional Roadwork | \$117,714.00 | | Additional Roadwork | \$119,225.00 | |
| Garage | \$277,703.00 | | Garage | \$274,606.00 | |
| Recycling | \$593,730.00 | | Recycling | \$609,289.00 | |
| Buildings & Grounds | \$254,816.00 | | Buildings & Grounds | \$252,570.00 | |
| TOTAL PUBLIC WORKS SERVICES | | \$2,038,284.00 | TOTAL PUBLIC WORKS SERVICES | | \$2,078,299.00 |
| COUNCIL, BOARDS & COMMITTEES | | | COUNCIL, BOARDS & COMMITTEES | | |
| Department | | Total Warrant | Department | | Total Warrant |
| Council, Boards, Committees | \$29,565.00 | | Council, Boards, Committees | \$31,065.00 | |
| Zoning Board of Appeals | \$2,600.00 | | Zoning Board of Appeals | \$1,600.00 | |
| Planning Board | \$4,050.00 | | Planning Board | \$5,150.00 | |
| Economic Development | \$2,000.00 | | Economic Development | \$1,000.00 | |
| TOTAL COUNCIL, BOARDS & COMMITTEES | | \$38,215.00 | TOTAL COUNCIL, BOARDS & COMMITTEES | | \$38,815.00 |
| LAW ENFORCEMENT | | | LAW ENFORCEMENT | | |
| Department | | Total Warrant | Department | | Total Warrant |
| Law Enforcement | \$133,851.00 | | Law Enforcement | \$115,023.00 | |
| TOTAL LAW ENFORCEMENT | | \$133,851.00 | TOTAL LAW ENFORCEMENT | | \$115,023.00 |
| COMMUNITY SERVICES | | | COMMUNITY SERVICES | | |
| Department | | Total Warrant | Department | | Total Warrant |
| Community Services | \$29,718.00 | | Community Services | \$29,718.00 | |
| TOTAL COMMUNITY SERVICES | | \$29,718.00 | TOTAL COMMUNITY SERVICES | | \$29,718.00 |
| TOTAL ALL WARRANTS | | \$6,524,923.00 | TOTAL ALL WARRANTS | | \$7,033,127.00 |

STATE REQUIREMENTS

LD1 Compliance

In 2004, the Maine legislature passed the municipal “expenditure cap” statute known as “LD1”. Under this statute, the annual percent increase in the municipal (non-school and non-county) property tax levy is subject to a maximum cap based on both a statistical income growth percentage established by the state, as well as a property growth limit calculated using the municipality’s valuation information provided by the Town’s Assessor. The estimated LD1 limit for FY 2017 is calculated as follows:

| | |
|--|---------------------|
| Actual FY 2016 limit | \$ 3,553,017 |
| State Growth Factor-2.67% | \$ 94,866 |
| Estimated Gray Property Growth Factor-.53% | \$ 18,831 |
| State Revenue Sharing Adjustment | \$ (9,842) |
| Projected FY 2017 limit | \$ 3,656,872 |
| | |
| Proposed FY 2017 Expenses | \$ 7,033,127 |
| Proposed FY 2017 Revenue | \$ (3,339,681) |
| Estimated Homestead & BETE Reimbursement | \$ (250,000) |
| Proposed FY 2017 Net Budget | \$ 3,443,446 |
| | |
| Estimated LD1 Limit Over/(Under) | \$ (213,426) |

OUTSTANDING ISSUES & FINAL COMMENTS

MSAD 15 intends to make a formal budget presentation at the May 3, 2016 Town Council meeting.

In closing, I wish to thank the taxpayers of Gray for their input into this budget, the Town Council for their direction and understanding of the challenges, the Department Heads and all the staff who helped to prepare the budget. Lastly, I would be remiss if I did not recognize how much I appreciate the dedicated employees who provide exceptional customer service to the people of our community.