

FISCAL YEAR 2018 FINAL MUNICIPAL BUDGET NOTE:

The final Town Budget net increase was \$286,532 (net increase of 7.62%)

The original Town Council Proposed FY 2018 Budget had a net increase of \$486,532, but while Article 10 (requesting the appropriation of a \$200,000 transfer to the Capital Reserve Fund) passed, the required companion Article 11 (to increase the LD1 levy limit to allow that appropriation by State law) did NOT pass and so Article 10 failed. Below is the explanatory Budget Note that was provided beforehand for taxpayers along with the ballot wording for Article 11 which failed.

“Article 11. Shall the Town increase the FYE 2018 LD 1 property tax levy limit, otherwise imposed by Maine law, by \$200,000?

[Important Note: If this Article should fail to pass, then Article 10 above regarding transfer of \$200,000 into the Capital Reserve Fund shall automatically be defeated, as well.***]***

Another issue that the Council considered during their budget workshops was the need for increased funding in the Capital Reserve Fund for the long-term CIP. In accordance with the Town of Gray Capital Improvement Plan Policy/Procedure, the Town’s first method of funding for necessary expenditures is to invest in long-term saving and use its own funds at the time of appropriation. Over the years, the Town has not been as aggressive at funding the long-term in the interest of keeping the mil rate lower. The FY 2013 budget proposed had two warrant articles on the ballot in order to start addressing this issue. One article requested an additional \$400,000 for the long-term CIP and one article requested the necessary LD1 override for that funding. At that time, the article for the additional \$400,000 passed, but the LD1 override did not, so both articles failed. These new articles are the attempt of the Council to realize more funding for the long-term CIP based on the recommendation of the Finance Committee and in recognition of the larger purchases the Town has scheduled in the CIP for upcoming years. As it was in FY 2013, Articles 10 and 11 are completely dependent upon one another. Both must pass or both will fail.”

Enclosed is the Final FY 2018 Budget Summary for Expense and Revenue that was passed by the voters.
