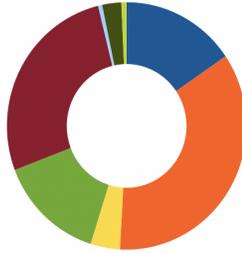


Town of Gray • Proposed Municipal Budget Guide • FY 2023 (July 1, 2022 – June 30, 2023)

Budget Summary

General Fund Expense Budget

Administration	\$ 1,657,962	■
Municipal Expenses	\$ 3,791,687	■
Library, Parks & Recreation	\$ 424,354	■
Public Safety	\$ 1,535,727	■
Public Works	\$ 2,886,716	■
Council, Boards, Committees	\$ 59,620	■
Law Enforcement	\$ 274,591	■
Community Services	\$ 76,384	■
Total	\$ 10,707,041	



In April 2022 the State notified the Town our “certified ratio” was finalized and is below the required 100% threshold. For citizens to qualify for 100% of the State Homestead and Veteran tax exemptions the Town must reevaluate property. The combined value of all property in Gray has increased, but not all property increases at the same rate. Property taxes may increase, stay the same, or even go down based on the combination of the revaluation and the MILL rate. As a result of this revaluation, the current MILL rate may go down even with the proposed budget increase. The final numbers for individual properties should be available in July or August.

The General Fund budget (day-to-day operations) is up 4%.

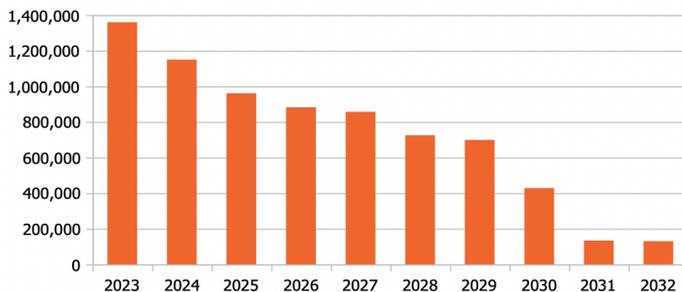
The Capital Improvements Plan (CIP) spending is up 28%. Money from our TIF accounts and the Federal “American Rescue Plan Act” (ARPA) is being transferred to help pay for these capital improvements, **reducing the need for more local property taxes.**

Additional unexpected revenue in FY 2022 from the State and other sources reduces the overall budget increase to 10%.

Two additional Firefighters start in January 2023. Fewer volunteers and increased call volumes in our growing town means paid personnel are working overtime to fill the coverage gaps. The new positions will reduce overtime costs, burn out, and in a tight labor market, help us retain the experienced people we have.

Public forums for the Village Gateway project (Hamilton property), Yarmouth Rd reconstruction, Pennell Complex repairs, Village and Main Street project planning, for possible traffic pattern changes as well as improvements for pedestrians and bicyclists, will be coming this year.

Debt Service Payments



70% of Gray's current debt will be repaid in the next 10 years.

Bond Rating The Town has excellent bond ratings allowing us to borrow at lower interest rates. **AA+** from Standards & Poor's, their 2nd highest rating, **Aa2** from Moody's, their 3rd highest rating. Gray attained these due to “good financial polices and practices” and “low overall debt”.

Warrant Articles (in the order they appear on the ballot)

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

Article 2 Gives the Town permission to accept Federal, State & other revenue to help fund the FY 2023 budget. **Article 2 must pass for budget to pass.**

Article 3 The Town is required to present the budget on the ballot in the 8 categories shown in the chart to the left.

Article 4 Our Charter, Art. II, Sec. 6 requires a separate ballot question to raise \$10,000 for Council compensation. Last increased 21 years ago.

Article 5 Shall the Town vote to appropriate \$4,146,697 from the Capital Reserve Fund? The 5 largest expenditures are: **Debt** \$1,359,262. **TIF Projects** \$1,115,000. **Public Buildings** \$564,550. **Paving** \$511,650. **Fire & Public Safety** \$312,935. (see pg 4 for the complete project list)

Article 6 The Town may accept and spend, for specific purposes, money from dedicated accounts. This includes fees raised by the Recreation Dept., from permits, etc.

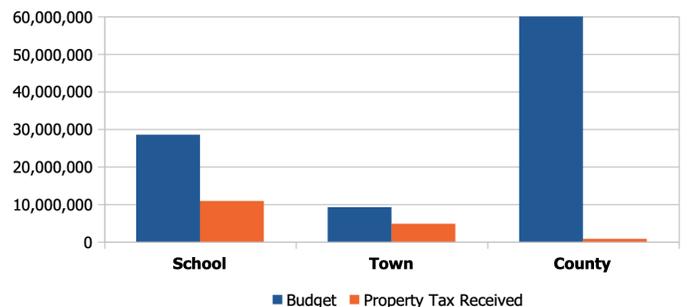
Article 7 Puts money from the sale of Town vehicles, equipment, etc. during FY 2023 valued at \$100,000 or less into the Capital Reserve Fund.

Article 8 Allows gifts & donations from Rec. Dept, Library, Fire/Rescue Assoc. & other sources to be spent for the intended purposes.

Article 9 Allows the Town Council to make tax abatement payments.

Article 10 Shall the Town's property tax levy limit, set by the State be increased by \$1,010,088 for the purpose of funding the FY 2023 budget? In 2004 Maine passed the “Municipal Expenditure Cap” known as “**LD1**”. The State calculates caps from data provided by the Town Assessor. The cap only restricts growth in municipal taxes, there is no growth restriction on school or county taxes. **Article 10 must pass for budget to pass.**

Where Does Our Property Tax Go?



America Rescue Plan Act (ARPA) is a Federal program to provide additional relief to address the continued impact of COVID-19 on the economy, public health, state and local governments, individuals, and businesses. **The Town received a total of \$868,000. We've spent \$33,845 so far and set aside \$784,115 for future use.**

Yarmouth Rd/Route 115 reconstruction next steps in FY 2023. We have surveyed and mapped the extent of ledge under the road. Right of way and easement work will begin. **We have applied to Maine's Department of Transportation (MDOT) for a \$625,000 grant to help pay for this project.**

Our Open Space Plan is in place and with the Royal River Conservation Trust's announcement of their private purchase of a new 147 acre preserve abutting Libby Hill Forest, we are making progress on our “Comp Plan” goal to preserve more of Gray's undeveloped spaces.

Town of Gray • Proposed Municipal Budget Guide • FY 2023 (July 1, 2022 – June 30, 2023)

General Fund Expenses		FY '22 Voter Approved Budget	FY '23 Proposed Budget	FY' 22 vs FY' 23 Difference	% Change for each line item	% of Total FY' 23 Budget
1	Department					
Administration						
2	Administration	\$ 622,149	689,811	67,662	10.9%	6.4%
3	Community Development	\$ 231,827	270,734	38,907	16.8%	2.5%
4	Assessing	\$ 142,097	145,930	3,833	2.7%	1.4%
5	Code Enforcement	\$ 202,331	233,895	31,564	15.6%	2.2%
6	General Assistance	\$ 27,698	55,290	27,592	99.6%	0.5%
7	Communication & Information	\$ 204,230	246,013	41,783	20.5%	2.3%
8	Elections	\$ 14,211	16,289	2,078	14.6%	0.2%
9	Totals	\$ 1,444,543	1,657,962	213,419	14.8%	15.5%
Municipal Finances						
11	General & Medical Insurance	\$ 1,082,679	1,086,687	4,008	0.4%	10.1%
12	Annual Wage Adjustments	\$ 80,000	215,000	135,000		2.0%
13	Vacation & Sick Time Accrual	\$ 25,000	35,000	10,000	40.0%	0.3%
14	Capital Reserve Project Expense (CIP)	\$ 1,765,000	2,455,000	690,000	39.1%	
15	Totals	\$ 2,952,679	3,791,687	839,008	28.4%	35.4%
Library, Parks & Recreation						
17	Library	\$ 328,633	384,065	55,432	16.9%	3.6%
18	Parks & Recreation	\$ 38,020	40,289	2,269	6.0%	0.4%
19	Totals	\$ 366,653	424,354	57,701	15.7%	4.0%
Public Safety						
21	Public Safety	\$ 1,111,202	1,283,163	171,961	15.5%	12.0%
22	Utilities	\$ 239,184	252,564	13,380	5.6%	2.4%
23	Totals	\$ 1,350,386	1,535,727	185,341	13.7%	14.3%
Public Works						
25	Winter Roads	\$ 518,950	565,526	46,576	9.0%	5.3%
26	Summer Roads	\$ 492,359	521,358	28,999	5.9%	4.9%
27	Additional Roadwork	\$ 157,503	152,503	-5,000	-3.2%	1.4%
28	Garage	\$ 240,124	272,957	32,833	13.7%	2.5%
29	Recycling	\$ 825,698	882,948	57,250	6.9%	8.2%
30	Buildings & Grounds	\$ 445,642	491,424	45,782	10.3%	4.6%
31	Totals	\$ 2,680,276	2,886,716	206,440	7.7%	27.0%
Council, Boards, Committees						
33	(a) Council, Boards, Committees	\$ 40,715	43,515	2,800	6.9%	0.4%
34	Zoning Board of Appeals	\$ 1,700	1,750	50	2.9%	0.0%
35	Planning Board	\$ 4,475	7,025	2,550	57.0%	0.1%
36	Economic Development	\$ 8,950	5,830	-3,120	-34.9%	0.1%
37	Open Space	\$ 1,000	1,500	500	100.0%	0.0%
38	Totals	\$ 56,840	59,620	2,780	4.9%	0.6%
Law Enforcement						
40	Law Enforcement	\$ 288,081	274,591	-13,490	-4.7%	2.6%
41	Totals	\$ 288,081	274,591	-13,490		2.6%
Community Services						
43	Community Services	\$ 32,075	76,384	44,309	138.1%	0.7%
44	Totals	\$ 32,075	76,384	44,309	138.1%	0.7%
45	General Fund Expense Budget	\$ 9,171,533	10,707,041	1,535,508	16.7%	
46	General Fund Revenue (-)	\$ 3,524,651	4,216,740	692,089	19.6%	
47	Capital Reserve Fund Revenue (-)	\$ 500,000	835,000	335,000	67.0%	
48	Combined Revenue	\$ 4,024,651	5,051,740	1,027,089	25.5%	
49	Total Raised from Property Taxes	\$ 5,146,882	5,655,301	508,419	9.9%	

50 (a) The Charter requires the Council's stipend of \$10,000 be voted on separately (Warrant Article 4) from the Expense Budget.

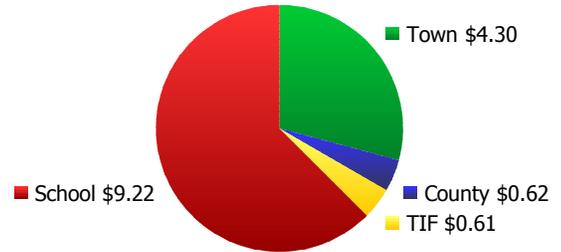
Town of Gray • Proposed Municipal Budget Guide • FY 2023 (July 1, 2022 – June 30, 2023)

General Fund Revenue

				FY 2022	FY 2023
	Accounts	Description		Budget	Budget
1	01-100 to 01-104	Clerk Fees *	\$	43,200	50,750
2	01-105 to 01-145	Planning Dept / CEO Fees *	\$	188,350	212,350
3	01-150	Dog Control	\$	4,000	1,500
4	01-151	Public Communications	\$	0	0
5	02-010	Auto Excise Tax	\$	1,825,000	1,875,000
6	02-015	Boat Excise Tax	\$	21,222	23,500
7	02-041	Cable Franchise Fees	\$	102,000	98,000
8	02-200	Interest-General Fund	\$	25,000	25,000
9	02-201	Interest on Delinquent Taxes	\$	50,000	60,000
10	02-850	Payment Rebates	\$	0	0
11	02-900	Miscellaneous Revenue	\$	10,000	10,000
12	03-066	Lost Book	\$	1,030	0
13	03-067	Library Fines	\$	3,000	0
14	04-055	Rescue Fees	\$	270,000	290,500
15	05-039	Gravel Pits	\$	1,100	1,500
16	05-048	Driveway Opening	\$	5,500	6,500
17	05-066	Tree Removal	\$	4,500	6,500
18	05-078 to 05-097	Transfer Station Fees & Income *	\$	116,500	176,800
19	06-049	Shore-land Application Fee	\$	4,000	4,000
20	06-053	Junkyard Fees	\$	50	50
21	06-370	Zoning Board Applications	\$	500	2,000
22	06-380	Planning Board Fees	\$	12,500	13,500
23	06-862	Blueberry Festival	\$	4,200	4,200
24	11-005	DOT Local Roads	\$	135,000	135,000
25	11-008	GA Reimbursement	\$	10,000	31,675
26	11-060	State Revenue Sharing	\$	656,894	1,123,991
27	11-061	Snowmobiles	\$	3,000	3,000
28	11-062	Tree Growth	\$	21,700	25,000
29	11-063	Veterans Reimbursement	\$	5,005	4,524
30	11-067	Animal Waste Facility	\$	900	900
31	Transferred from	Recreation Enterprise Fund	\$	0	30,000
31	Transferred from	Henry Pennell Mncpl Cmplx Fund	\$	500	1,000
32		Total General Fund Revenue	\$	3,524,651	4,216,740
		Projected Capital Reserve Fund Revenue			Projected
				Budget	Budget
		Description		FY 2022	FY 2023
33		Unassigned Fund Balance		500,000	835,000
34		Village TIF Transfer	\$	75,000	120,000
35		Route 100 TIF Transfer	\$	245,410	995,000
36		Total Capital Reserve Fund Revenue	\$	820,410	1,950,000
		TOTAL PROPOSED CAPITAL RESERVE FUND REVENUE	\$	4,345,061	6,166,740
		* This figure is the total of multiple accounts in this department.			

Budget and Project Highlights

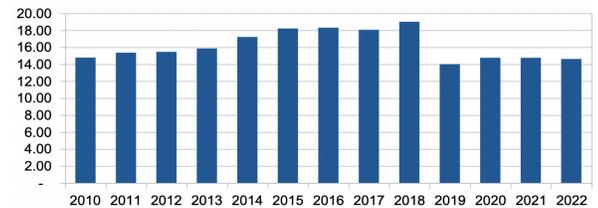
Current MILL Rate Breakdown



Gray is growing. Since 2018 we've added 253 homes and our tax base has increased 50%. Work has started on the zoning changes outlined in our new Comprehensive Plan. The changes will increase housing density in some zoning districts while protecting the natural resources, open spaces and rural character of our Town in other zones.

The Council approved a permanent weight limit on Mayall Road from Depot Road to Yarmouth Road/Rte 115, to keep heavy trucks off this recently rebuilt section of Town road and onto the State maintained Yarmouth/Rte 115 and Depot Roads. A weight limit may be set for Shaker Road from the Village to the By-Pass. This will help keep truck traffic out of the Village. Weight limits do not prevent trucks from making deliveries or local businesses from using these roads.

MILL Rates 2010 - 2022



A Revaluation in 2019 Lowered the MILL Rate.

Wilkie's Beach boat ramp repairs We have reapplied for a grant we were not awarded last year. Whether or not we receive this grant we will replace the ramp in FY 2023, before it becomes unusable, and fix other erosion and stormwater problems to protect the water quality of the lake.

The Village Green Park was completed this past year.

A new playground was installed at the Pennell complex.

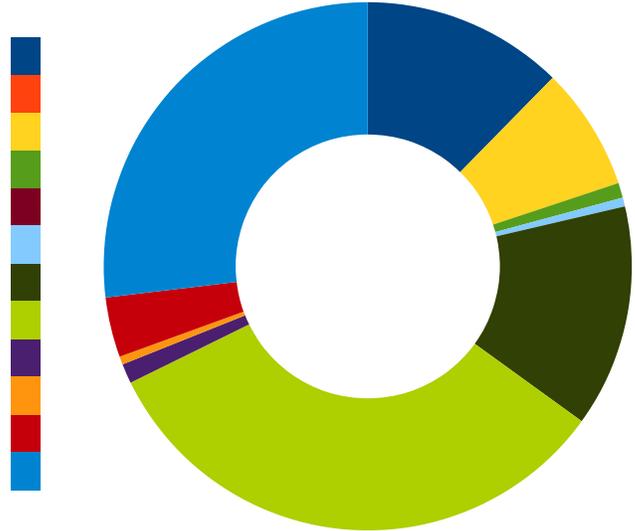
13 acres of open space was given to the Town for recreational uses as a part of the Stillwater Pines residential open space sub division being built on Woodcock Rd.

Working with GNG ATV Club volunteers the Town received a grant to rebuild the trails that run from Gray Plaza, through the Meadows to Long Hill road.

An MOU between Town, MSAD15 and Gray Community Endowment was signed this year. This preliminary "Memorandum of Understanding" (MOU) defines the roles, responsibilities and funding each organization provides to help maintain Libby Hill. Deed and ROW work begins in FY '23.

FY 2023 Proposed Capital Expenditures

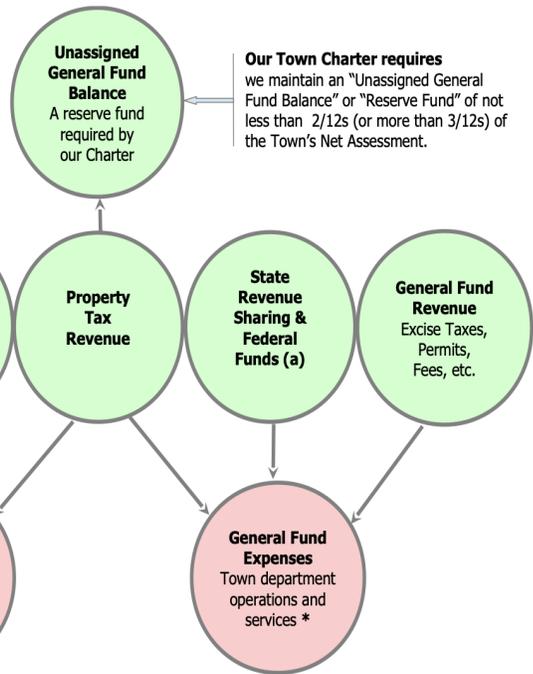
Road Resurfacing	\$	511,650	12.3%
Bridge Repair & Replacement	\$	0	0.0%
Fire & Public Safety	\$	312,935	7.9%
Public Works, Town Vehicles & Equipment	\$	38,000	0.9%
Sidewalks (a)	\$	0	0.0%
Technology	\$	22,800	0.5%
Public Buildings, Maint., Equipment, Reserve	\$	564,550	13.6%
Debt Service, Bonds & Leases	\$	1,359,262	32.8%
Land Acquisition	\$	50,000	1.2%
Parks & Recreation	\$	20,500	0.5%
Professional Svcs, Engineer, Research, Legal	\$	152,000	3.7%
TIF Projects, Planning, Engineering, Materials	\$	1,115,000	26.9%
Total FY 2023 Capital Projects	\$	4,146,697	100.0%



(a) Sidewalk repair and construction is part of other larger infrastructure projects.

Revenue and Expense Accounts

Borrowing from the "Unassigned General Fund Balance" (or "Reserve Fund") can only be authorized by the voters. Borrowed money must be repaid to the fund within 5 years. The Reserve fund was last used to help purchase our ladder truck. The FY 2022 budget includes money to finish repaying the Reserve Fund a year earlier than required by our Town Charter.



Our Town Charter requires we maintain an "Unassigned General Fund Balance" or "Reserve Fund" of not less than 2/12s (or more than 3/12s) of the Town's Net Assessment.

- * A complete listing of all the components of these revenue and expense funds can be found in the budget at www.graymaine.org/budget
- TIF:** This is a State program that allows revenue from increasing property values to be set aside and used for public infrastructure projects.
- Northbrook TIF:** Helped create the Northbrook Business Park.
- Rte 100 – So. Gray TIF:** Originally created to replace and extend a water main down Rte 100. It was expanded and redefined in 2020 to allow for the reconstruction of Yarmouth Rd.
- Village TIF:** A fund to repair, improve and replace roads, intersections, sidewalks and underground utilities in the Village and roads leading to and from the Village.
- PB Escrow:** The Planning Board escrow accounts contain money from developers to guarantee the completion of projects.
- Landfill:** This is a fund to maintain our capped landfill off Seagull Drive.
- Sub-D Rec:** Subdivision Recreation account a fees to be used to construct recreational projects in town.
- Gravel Pits:** This fund is to help reclaim gravel pits when they close.
- PW & PS vehicles:** Public Works and Public Safety vehicles that have an expected useful life of 15, 20 years or more.