



**Information on the Gray FY24 Budget Proposal & Selected Ballot Warrant Articles**

The Gray Town Council developed the proposed Fiscal Year 2024 (FY24) Budget (July 1, 2023 to June 30, 2024) after a series of public workshops with the Town Manager and department heads over the winter and spring. Once the budget is approved, it is written as a series of Warrant Articles that are presented to voting residents at an election held at the Pennell Municipal Complex, 24 Main Street, or by absentee / early ballot vote. The overall budget proposal includes appropriations from the Town government, the Town’s Tax Increment Finance (TIF) economic development districts, the MSAD-15 School District, and Gray’s share of the Cumberland County budget. This year’s budget preparation was complicated by the late delivery of the prior year’s (FY22) municipal audit, which revealed financial irregularities and came after the Council’s required approval of the Warrant Articles following the timeline in the Town Charter. Information about the Town budget, including identification of two erroneous reports that were presented at the April 11 Town Council meeting, is found on the Town’s FY24 budget page: <https://www.graymaine.org/home/home/pages/fy24-budget>. To help voters understand the Council’s recommendations, select Warrant Articles are detailed in this flyer, and voters are encouraged to **Get The Facts** about the budget on the Town website.

**Overall FY24 Budget Projections for Town, TIF, County, and School**

	Portion Of Total:
\$ 12,741,976 Total Municipal budget	
\$ (980,970) State Revenue Sharing	
\$ (4,917,650) Local Revenue	
\$ 6,843,356 Local Appropriation (Net)	33.3%
\$ 828,630 TIF Appropriation	4.0%
\$ 918,022 County Appropriation	4.5%
\$ 11,981,537 School Appropriation	58.2%
<b>\$ 20,571,545 Total Appropriation</b>	<b>100.0%</b>

Although the Town assesses the total tax bill to property owners, **the Town has no authority over the Cumberland County and the MSAD-15 school district budgets.** The funds collected from taxes are appropriated by the Town for its operations, capital budgets, and TIF districts, and are also paid to the County and the MSAD-15 School District.

**The proposed mill rate for FY24 is estimated at 15.78, an increase of 1.83 vs. FY23,** an increase of \$641 / year for a \$350K house (total bill \$5,523).

In the FY24 proposed budget, **the Cumberland County and School budgets constitute 63% of the total tax bill.** The Cumberland County budget increased in part due to the first year of a five-year

Appropriation	FY23 \$	FY24 \$	% In-crease FY23 to 24	\$ Increase- FY23 to 24	% of Total FY24 Inc.
Local Appropriation (Net)	\$ 5,205,603	\$ 6,843,356	31%	\$1,637,752	55.3%
TIF Appropriation	\$ 718,930	\$ 828,630	15%	\$109,700	3.7%
County Appropriation	\$ 792,460	\$ 918,022	16%	\$125,562	4.2%
School Appropriation	\$10,893,616	\$11,981,537	10%	\$1,087,921	36.7%
<b>Total Appropriation</b>	<b>\$17,610,609</b>	<b>\$20,571,545</b>	<b>17%</b>	<b>\$2,960,936</b>	<b>100%</b>

assessment as their budget shifts from a calendar to fiscal year.

Similar to the Town, the MSAD-15 budget has increased this year due to wages and benefits, inflationary pressures, and the costs of capital projects.



**Article 3. Shall the Town vote to raise and appropriate \$12,741,976 to fund the FYE 2024 Municipal Budget, as recommended by the Town Council?**

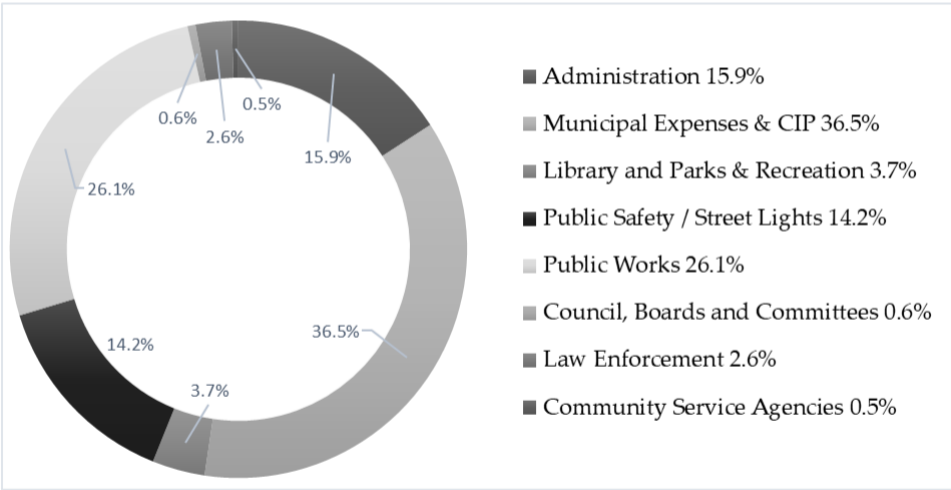
**Table 3: FY24 Proposed Town Department Budget Summary**

Administration: <i>Includes Clerk, HR, Elections, GA, Finance, Code Enforcement, Assessing, Planning, Communications &amp; Information Technology budgets</i>	\$2,020,643
Municipal Expenses: <i>Includes bond payments, capital improvements (CIP), and grant match for \$850K Federal-funded Libby Hill Rd. safety</i>	\$4,651,974
Library and Parks & Recreation	\$474,772
Public Safety / Street Lights	\$1,813,722
Public Works	\$3,324,946
Council, Boards and Committees	\$71,703
Law Enforcement	\$325,191
Community Service Agencies	\$59,025
<b>Total Proposed Town Budget</b>	<b>\$12,741,976</b>

Gray’s municipal budget adjustments for FY24 operations significantly addresses staff retention and recruitment, and includes proposed:

- Cost of living and market-rate wage adjustments,
- Competitive retirement program for full-time Fire-Rescue staff,
- Full funding of two Fire-Rescue positions that had partial-year funding in FY23,
- Three new Town staff positions,
- Staff development and addressing deferred replacement of aging IT infrastructure, and
- Inflationary cost increases for insurance, utilities, goods, and services.

Looking for the facts about Gray’s proposed FY24 budget? Use the QR Code below or the following link to visit our budget webpage: [bit.ly/3OQBykH](https://bit.ly/3OQBykH)



**Article 5. Shall the Town vote to appropriate \$3,116,356 from the Capital Reserve Fund for FYE 2024, for the following Capital Projects, as recommended by the Town Council?**

The \$12,741,976 appropriation in Article 3 includes the Town’s proposed FY24 budget of \$3,116,356 for **bond payments (debt service), capital projects, FY25 fund reserves, and professional services** including road maintenance, bridge repair, critical Town facilities maintenance, facilities maintenance equipment, and costs for new outdoor recreation facilities.



**Article 6. Shall the Town vote to appropriate from the TIF Revenue Fund and authorize the Town Council to expend TIF Revenue in an amount not to exceed \$626,753 for Gray Village and related road construction and utilities planning, design, and engineering; stormwater/wastewater systems feasibility studies; and construction of sports fields to supplement Douglass Field, all in accordance with the TIF District Development Program documents, as recommended by the Town Council.**

Gray's Tax Increment Finance (TIF) economic development districts allow the Town to shelter any new taxable value on property within the districts from the Town's share of County and School District appropriations, which reduces local taxes. Any new tax revenue within the TIF district can then be used to support approved local community economic development projects.

The FY24 budget proposal includes projects, planning, and engineering to further the vision for **economic prosperity** in the Gray Village conveyed in the Town's 2020 Comprehensive Plan. This work is part of a multi-year plan to grow and diversify Gray's commercial economic base, increase taxable commercial value, and **re-establish Gray Village** as a community center that meets broad community needs and attracts new business and real estate investment.

The proposed budget also provides grant match funds to **relocate and expand baseball field / open space facilities from Douglass Field to the Gray Village Gateway** land on Main Street across from the Pennell Municipal Complex.

**Voting for or against the use of TIF district funds does not effect the mill rate.**

**Article 12. Shall the Town vote to increase the Town of Gray's property tax levy limit established for FYE 2024 by State law to \$810,033 in the event that the municipal budget approved under the preceding articles will result in a tax commitment that is greater than that property tax levy limit, as recommended by the Town Council?**

Voters will be asked whether they support increasing the Town of Gray's property tax levy limit to \$810,033 for FY24, as the municipal budget approved under the warrant articles will result in a tax commitment that is greater than that property tax levy limit under a State law. This law, which Town Council refers to as "LD1" since it was legislative bill LD1 when it was passed, places a cap on the municipal tax levy over which municipalities are required to have a separate vote to approve the budget.

**The formula for calculating the property tax levy limit was set almost 20 years ago, and has not been adjusted to address the kind of market fluctuations we have all experienced in recent years.**

Because of this requirement, voters will need to approve **both** the proposed Town budget articles **and** override of the LD1 limit (Warrant Article 12) for the Town budget (Article 3) to pass.

**If the "LD1" Article 12 does not receive voter approval, the proposed Town budget will not pass.**



**Article 13. Shall the Town vote to authorize the transfer of up to \$417,000 ... and authorize the transfer of up to an amount in excess of 3/12 of the Town’s unassigned general fund balance ... for costs associated with infrastructure improvements and acquisition of land necessary to achieve the open space and Gray Village development goals identified in the Town’s Comprehensive Plan and the Gray Village Master Plan as the Town Council deems to be in the Town’s best interest? (please visit the Town website for the full text of this Article)**

The Town Council is authorized by the Town Charter to appropriate up to an amount in excess of 3/12 of the Town’s Unassigned General Fund balance for designated costs approved by voters at the Town election, and is required to pay itself back within five (5) years.

**Effectively, the Town can loan itself money with no interest fees for voter-approved uses.**

The proposed use of these funds are for land acquisitions that further the goals of the Town’s 2020 Comprehensive Plan and the Town’s 2022 Open Space Plan. Council is asking for these funds to be designated in advance of any real estate negotiations, understanding that purchase agreements will not wait until a future Town budget vote to go to closing.

**Voting for or against the use of Unassigned Fund Balance funds does not effect the mill rate.**

**Article 14: Shall the Town vote to authorize the issuance of up to \$850,000 in general obligation bonds or notes of the Town to pay and/or reimburse the cost of improvements to the septic system that services multiple buildings on the Pennell Complex and the construction of additional public facilities and programmatic space for the Town Recreation Department and child-care program in the Manual Arts building? (Please visit the Town website for the full text of this Article)**

<b>Table 4. Proposed FY24 Bond Funded Projects</b>	
<b>Building Maintenance</b>	
Pennell Complex septic, basketball, pickleball, facility lights, and parking	\$ 599,100
Manual Arts conversion & restrooms	\$ 180,000
<b>HVAC</b>	
Manual Arts building heat pumps	\$ 15,000
<b>Safety</b>	
Manual Arts building fire alarm	\$ 13,000
Manual Arts building intrusion & access control	\$ 25,000
<i>Project Cost Increase Buffer (2%)</i>	<i>\$ 17,900</i>
<b>Total Bond Funded Projects</b>	<b>\$ 850,000</b>

The proposed FY24 budget includes bond funding to spread the cost of necessary infrastructure repairs / improvements at the Pennell Campus over five years, rather than to pay all at once, or to put off critical projects for a later date and risk infrastructure failure.

The proposed projects include replacement of the septic system that serves the Pennell Campus, and adding public restroom facilities.

Proposed improvements to the Manual Arts building will allow expansion of the Town child care programs, which are in high demand and currently have a years-long waiting list.