

NATE RUDY,  
TOWN  
MANAGER

APRIL 11, 2023

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# FY24 Municipal Budget Presentation

## Town of Gray, Maine

# Thank You!

Many hands helped prepare this FY24 budget proposal. Thank you for your help and guidance:

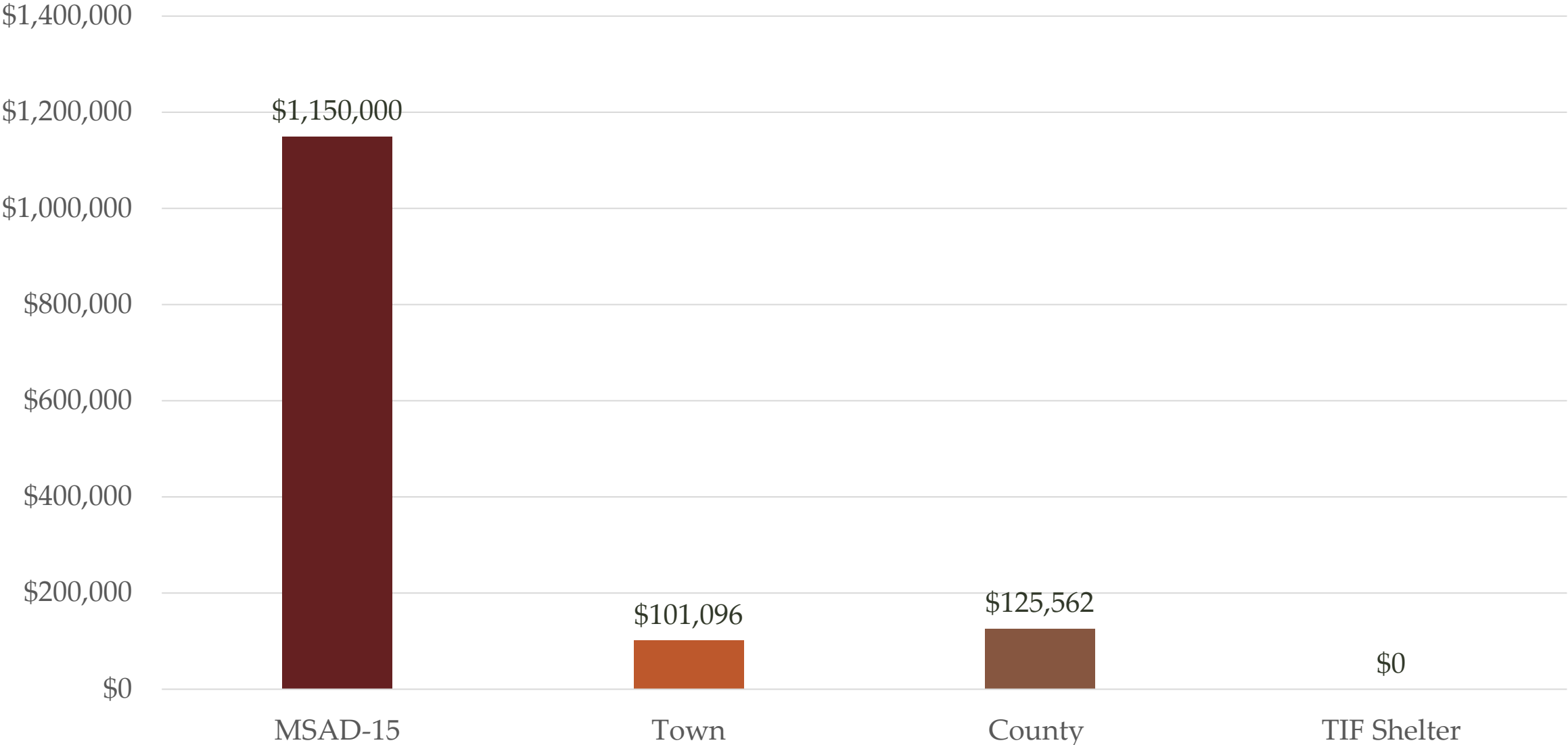
- ❖ Gray Town Council
- ❖ Katie Johnston, Finance Director
- ❖ Lauren Asselin, Town Assessor
- ❖ Gray Department Heads and Program Lead Staff
- ❖ Gray Citizens and Advocates from Organizations Seeking Community Support Funds
- ❖ State of Maine (with special thanks to the Governor and Legislature for full restoration of the statutorily-mandated 5% state revenue sharing to local governments in FY23 and FY24)

# Proposed FY24 Appropriations vs. Historic

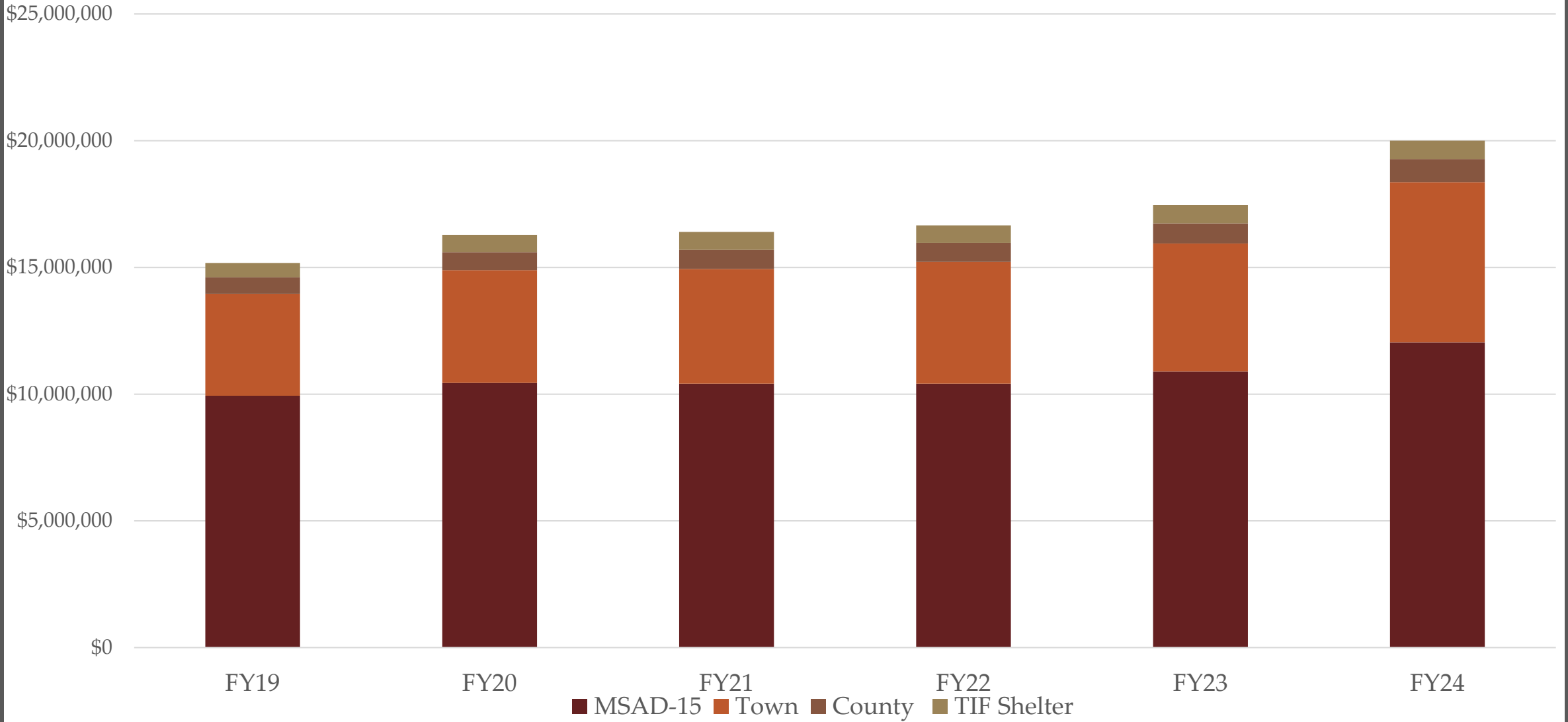
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Fiscal Year	Tax Commitment Total	MSAD-15	% of Total	County	% of Total	Town	% of Total	TIF Shelter	% of Total
FY19	\$15,175,916	\$9,937,133	65%	\$644,903	4%	\$4,023,995	27%	\$569,885	4%
FY20	\$16,283,019	\$10,442,222	64%	\$705,647	4%	\$4,449,874	27%	\$685,276	4%
FY21	\$16,401,916	\$10,412,484	63%	\$756,334	5%	\$4,524,275	28%	\$708,823	4%
FY22	\$16,660,408	\$10,412,484	62%	\$752,213	5%	\$4,804,029	29%	\$691,682	4%
FY23	\$17,456,925	\$10,893,616	62%	\$792,460	5%	\$5,051,919	29%	\$718,930	4%
FY24	\$19,998,976	\$12,043,616	60%	\$918,022	5%	\$6,318,408	32%	\$718,930	4%

# Appropriation Increase by Type, FY24 vs. FY23

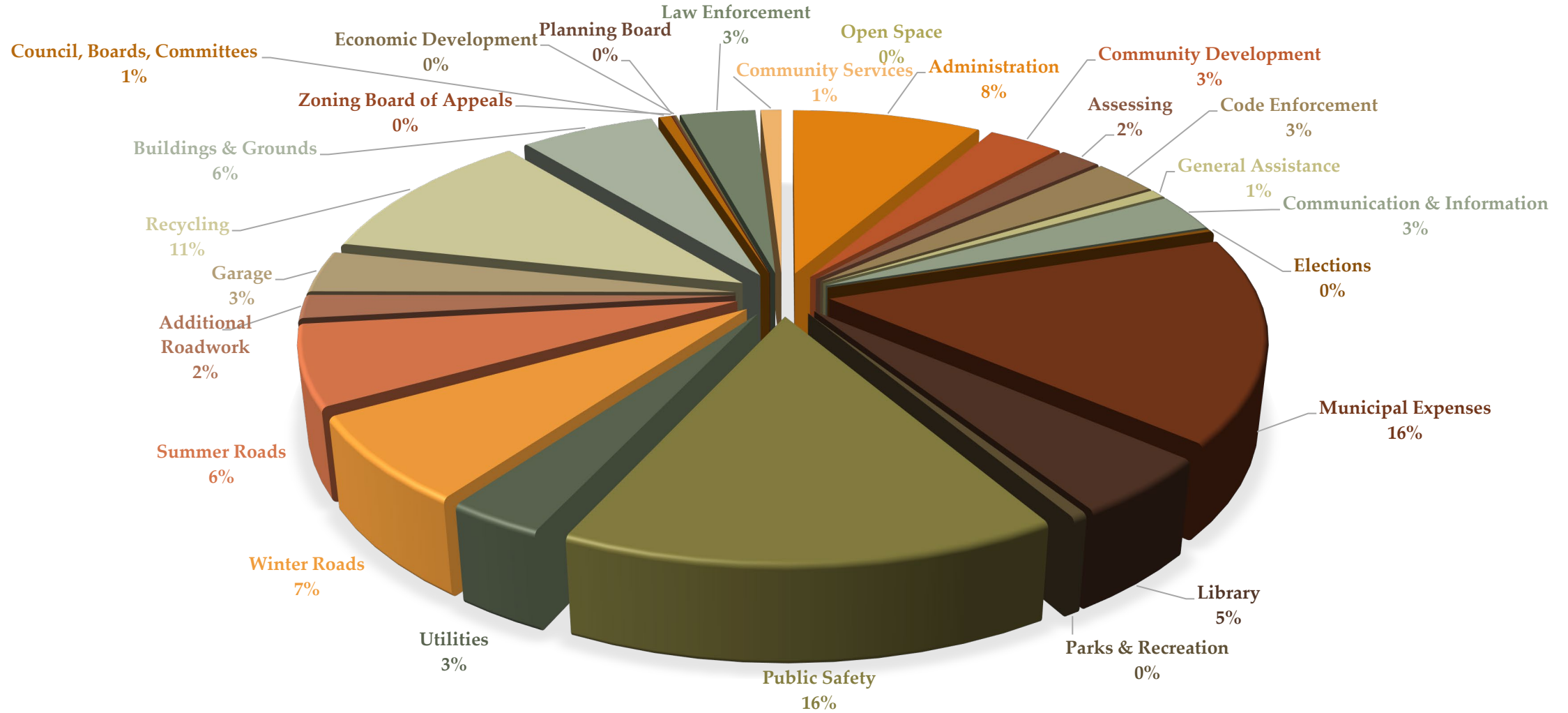


# Proposed FY24 Appropriations vs. Historic

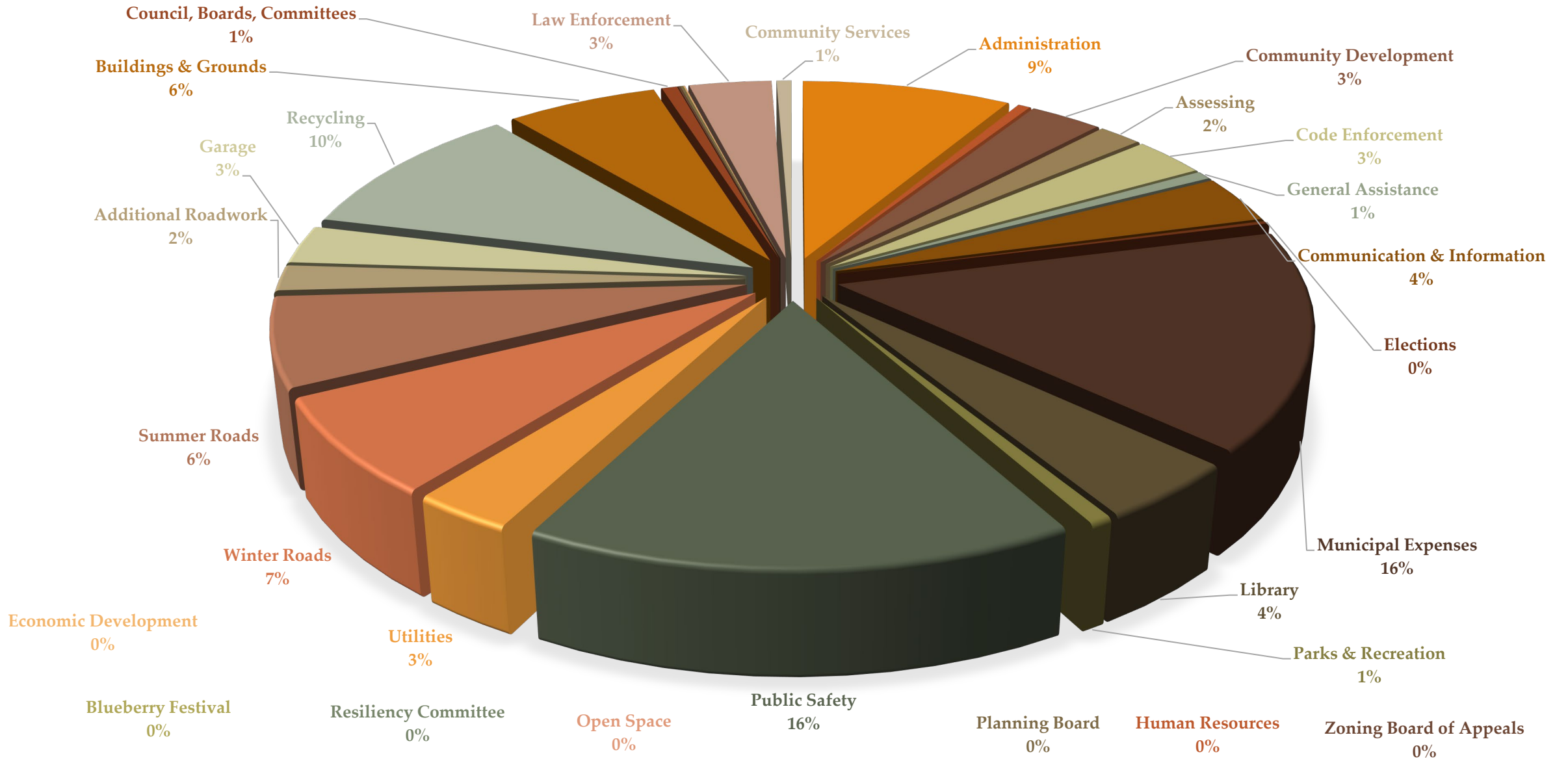


Expense Budget By Department	FY 2023			FY 2024		
	Increase/(Decrease)			Increase/(Decrease)		
	Original	Adjustment	FINAL	Proposed	vs Final FY 2023	
Administration	\$ 689,811	\$ 42,185	\$ 731,996	\$ 824,068	\$ 92,071	12.6%
Human Resources	\$ -	\$ -	\$ -	\$ 48,091	\$ 48,091	100.0%
Community Development	\$ 270,734	\$ 3,554	\$ 274,288	\$ 283,719	\$ 9,431	3.4%
Assessing	\$ 145,930	\$ 13,370	\$ 159,300	\$ 169,963	\$ 10,663	6.7%
Code Enforcement	\$ 233,895	\$ 7,577	\$ 241,472	\$ 286,333	\$ 44,862	18.6%
General Assistance	\$ 55,290	\$ -	\$ 55,290	\$ 59,486	\$ 4,196	7.6%
Communication & Information	\$ 246,013	\$ 9,154	\$ 255,167	\$ 338,824	\$ 83,657	32.8%
Elections	\$ 16,289	\$ -	\$ 16,289	\$ 20,159	\$ 3,870	23.8%
Municipal Expenses	\$ 1,336,687	\$ (141,350)	\$ 1,195,337	\$ 1,535,618	\$ 340,281	28.5%
Library	\$ 384,065	\$ 27,677	\$ 411,742	\$ 410,416	\$ (1,327)	-0.3%
Parks & Recreation	\$ 40,289	\$ -	\$ 40,289	\$ 64,356	\$ 24,067	59.7%
Public Safety	\$ 1,282,163	\$ (33,533)	\$ 1,248,630	\$ 1,529,858	\$ 281,228	22.5%
Utilities	\$ 252,564	\$ -	\$ 252,564	\$ 283,864	\$ 31,300	12.4%
Winter Roads	\$ 565,526	\$ 44,139	\$ 609,665	\$ 675,842	\$ 66,177	10.9%
Summer Roads	\$ 521,358	\$ 22,069	\$ 543,427	\$ 625,674	\$ 82,247	15.1%
Additional Roadwork	\$ 152,503	\$ -	\$ 152,503	\$ 180,500	\$ 27,997	18.4%
Garage	\$ 272,957	\$ 2,845	\$ 275,802	\$ 272,229	\$ (3,573)	-1.3%
Recycling	\$ 882,948	\$ 18,499	\$ 901,447	\$ 978,051	\$ 76,604	8.5%
Buildings & Grounds	\$ 491,424	\$ 27,853	\$ 519,277	\$ 592,650	\$ 73,373	14.1%
Council, Boards, Committees	\$ 43,015	\$ -	\$ 43,015	\$ 60,703	\$ 17,688	41.1%
Zoning Board of Appeals	\$ 1,700	\$ -	\$ 1,700	\$ 7,650	\$ 5,950	350.0%
Planning Board	\$ 7,025	\$ -	\$ 7,025	\$ 10,850	\$ 3,825	54.4%
Blueberry Festival	\$ -	\$ -	\$ -	\$ 1,000	\$ -	100.0%
Resiliency Committee	\$ -	\$ -	\$ -	\$ 1,000	\$ -	100.0%
Economic Development	\$ 6,680	\$ -	\$ 6,680	\$ 4,000	\$ (2,680)	-40.1%
Open Space	\$ 1,500	\$ -	\$ 1,500	\$ 1,500	\$ -	0.0%
Law Enforcement	\$ 274,591	\$ -	\$ 274,591	\$ 325,191	\$ 50,600	18.4%
Community Services	\$ 63,884	\$ -	\$ 63,884	\$ 59,025	\$ (4,859)	-7.6%
<b>TOTAL GENERAL FUND EXPENSES</b>	<b>\$ 8,238,841</b>	<b>\$ 44,040</b>	<b>\$ 8,282,881</b>	<b>\$ 9,650,619</b>	<b>\$ 1,367,739</b>	<b>16.5%</b>
<b>TOTAL GENERAL FUND REVENUE</b>	<b>\$ 4,216,740</b>		<b>\$ 3,524,651</b>	<b>\$ 4,917,650</b>	<b>\$ 1,392,999</b>	<b>39.5%</b>
<b>TOTAL NET GENERAL FUND BUDGET</b>	<b>\$ 4,022,101</b>		<b>\$ 4,758,230</b>	<b>\$ 4,732,969</b>	<b>\$ (25,260)</b>	<b>-0.5%</b>
Department	Original	Adjustment	FINAL	Proposed	vs Final FY 2022	
Capital Projects	\$ 2,455,000		\$ 2,000,000	\$ 2,791,356	\$ 791,356	39.6%
FY25 Capital Reserve Funding				\$ 350,000		
<b>TOTAL CAPITAL RESERVE FUND EXPENSES</b>	<b>\$ 2,455,000</b>		<b>\$ 2,000,000</b>	<b>\$ 3,141,356</b>	<b>\$ 791,356</b>	<b>57.1%</b>
<b>TOTAL CAPITAL RESERVE FUND REVENUE</b>	<b>\$ 835,000</b>		<b>\$ 835,000</b>	<b>\$ 1,500,000</b>	<b>\$ 665,000</b>	<b>179.6%</b>
<b>TOTAL NET CAPITAL RESERVE FUND BUDGET</b>	<b>\$ 1,620,000</b>		<b>\$ 1,165,000</b>	<b>\$ 1,641,356</b>	<b>\$ 126,356</b>	<b>40.9%</b>
<b>TOTAL PROPOSED FY 2023 BUDGET</b>	<b>\$ 5,642,101</b>		<b>\$ 5,923,230</b>	<b>\$ 6,374,326</b>	<b>\$ 101,096</b>	<b>7.6%</b>

# FY23 TOWN BUDGET BY DEPARTMENT (%)



# FY24 TOWN BUDGET BY DEPARTMENT (%)





<b>Budget Item</b>	<b>FY23 Council Budget</b>	<b>FY23 % Incr. vs FY22</b>	<b>FY23 \$ Incr. vs FY22</b>	<b>FY24 Proposed Budget</b>	<b>FY24 Proposed \$ Incr. vs FY23</b>
Market Rate and COLA Wage Adjustments	\$215,000	169%	\$208,175	\$ 308,686	\$ 93,686
Employee Medical Insurance	\$902,253			\$ 963,493	\$ 61,240
Transfer Station Tipping Fees	\$341,750	15%	\$43,680	\$ 393,793	\$ 52,043
IT Department Technical Support	\$27,153	-	-	\$ 68,057	\$ 40,904
Cumberland County Sheriff Contract	\$264,691	-	-	\$ 303,141	\$ 38,450
Public Works Road Salt	\$235,000	15%	\$30,000	\$ 273,000	\$ 38,000
GWD Hydrant Service Charge	\$224,064	5%	\$10,680	\$ 254,364	\$ 30,300
Private Roads Plowing/Sanding Contract	\$150,000			\$ 177,500	\$ 27,500
Sick and Vacation Time Payout	\$35,000	40%	\$10,000	\$ 50,000	\$ 25,000
Workers Compensation Insurance	\$97,698	322%	\$12,573	\$ 116,244	\$ 18,546
Staff Computers and Technology Updates	\$16,473	322%	\$12,573	\$ 34,300	\$ 17,827
Town Staff Personnel Development Program	\$0	-	-	\$ 17,750	\$ 17,750
Public Transportation System	\$0	-	-	\$ 15,000	\$ 15,000

Notable Expense Budget Increases FY24 vs FY23, with selected FY22 comparison (Increases over \$10,000)

# Notable Expense Increases

- ❖ Projected increase in Gray's share of MSAD-15 budget
- ❖ Projected increase in Gray's payment to Cumberland County, including year one of a five-year increment for shifting their budget by six months, from a calendar to a fiscal year
- ❖ We propose to offer a Maine Public Employee Retirement System (MePERS) retirement plan to full time public safety department employees, to better attract and retain experienced Firefighter-Paramedics/EMTs (FF-PARA)
- ❖ Town-wide budget adjustments vs. FY23 have increased utilities and fuel cost line items
- ❖ Town-wide increase in use of legal services for increased code enforcement action and other complex legal matters
- ❖ Increased costs for Transfer Station tipping fees

# Proposed Market Rate Wage Adjustments vs. Comparable Municipalities

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In FY22 the Town Manager conducted a wage and benefit survey of twelve comparable municipal governments based on property tax valuation and population size

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Town Manager wage analysis shows that 64% of full-time employees were being paid less than median wage of comparable municipalities

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Interruptions to Town business continuity and service levels make staff recruitment and retention a top priority

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The current “market” for top talent is very competitive and inflation has been extremely high in the past year

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Town Manager recommends wage corrections over a two-year period starting in FY23, to bring wages to at least the median wage of comparable municipalities

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Market Rate wage corrections are separate from cost-of-living adjustments (COLA) and performance-based incentives (CPI increased 5.7% from March, '21 to Feb, '22 and another 7.8% from March '22 to Feb '23 *source: bls.gov*)

# Proposed Wage Corrections vs. Comparable Municipalities

- ✓ To help mitigate the mill rate implication of the increase, the Town Manager's proposed wage correction will be split over two fiscal years
- ✓ Total wage correction is an 8.1% increase over the current budgeted wages for the affected positions
- ✓ Town Manager compensation and Gray Firefighter's Union contract negotiated separately

<b>Total Change</b>	<b>FY23 Increment Change</b>	<b>FY24 Increment Change</b>
\$185,438	\$110,800	\$74,642
8.1%	4.8%	3.2%

## Notable Expense Increases (continued)

- ❖ Two new FF-PARA positions that were added for half of FY23 are now budgeted for the full year in FY24
- ❖ Proposed two part-time Assistant Code Enforcement Officers to replace one full-time position (increases total work week by one workday equivalent, for increased service level)
- ❖ Proposed realignment of Public Works department administration to add a Public Services Administrator position that we hope to staff with a licensed Public Engineer (Future savings for engineering contracts)
- ❖ Addition of shared new position between Public Works and Buildings & Grounds
- ❖ Proposed new Town Clerk / AP-Payroll Clerk position

# Notable Expense Increases (continued)

- ❖ Year Two of Two, Market Rate Competitive Wage Adjustments
- ❖ Increased Cost of Employee Medical Care Insurance
- ❖ Increased budget for professional development and skills training, to improve customer service, technical skills, and to maintain high performance standards
- ❖ Capital Improvement budget includes:
  - ❖ Increased road and bridge maintenance
  - ❖ Addressing extensive deferred maintenance to Town facilities
  - ❖ No heavy vehicles, but two new / replacement light vehicles
  - ❖ Information Technology systems maintenance, regular equipment replacement, and technical services including cyber-security audit
  - ❖ Bond debt service to include retirement of two current bonds and a new proposed bond for replacement of the Pennell facility septic system and expansion of the child-care program facilities at the Pennell Manual Arts Building

# Capital Improvement Plan and Town Facility Use Study

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Town of Gray contracted Port City Architecture to conduct a Facility Use Study of Town buildings (2021)



Short- and long-term repair / use recommendations will be part of multi-year CIP planning and budgeting



Reduced call company firefighter response has made Village Station a smaller part of GFR operations



Buildings & Grounds will move to Village Station; Recreation Program expanding into Manual Arts Building



Gray Fire and Rescue will consolidate vehicles and operations to Central Station and Dry Mills Stations



Other recommendations of the Facility Use Study are represented in the FY23 and FY24 CIP budgets

# Notable Revenue Projections

- ❖ Town revenue budgets have been adjusted by the Finance Director to match anticipated performance
- ❖ State Revenue Sharing will decrease due to increased property values in Gray
- ❖ Town Planning staff are pursuing grant funding opportunities to offset costs for economic development / future growth planning for long-term fiscal responsibility investments
- ❖ Town Recreation Department is exploring ways to expand the capacity of our child-care program
- ❖ Many capital improvement and project expenses are being offset by proposed use of ARPA, TIF fund, and bond funds (proposed \$850K)
- ❖ New bond payments will be offset by reduced payments for existing bonds



# Major Revenue Budget Changes FY24 vs. FY23 (over \$7,000)

Revenue Budget Item	FY 2023 Budget	FY 2024 Proposed Budget	% Change	\$ Change
State Revenue Sharing	\$1,123,991	\$980,970	-13%	-\$143,021
Building Permit Fees	\$155,000	\$75,000	-52%	-\$80,000
Cable Franchise Fees	\$98,000	\$50,000	-49%	-\$48,000
Rescue Service Fees	\$285,000	\$260,000	-9%	-\$25,000
Boat Excise Tax	\$23,500	\$10,000	-57%	-\$13,500
Planning Board Fees	\$13,500	\$5,000	-63%	-\$8,500
Plumbing Permits	\$32,000	\$25,000	-22%	-\$7,000
Bottle Redemption	\$7,000	\$8,000	14%	\$1,000
Animal Control Officer Fees	\$25,000	\$30,000	20%	\$5,000
MeDOT Local Road Assistance Program	\$135,000	\$145,000	7%	\$10,000

# LD 1 Summary

- ❖ In 2004, Maine passed the municipal “expenditure cap” known as “LD 1”. 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
- ❖ This cap only applies to the Town’s portion of the budget—there is no cap on School or County budgets
- ❖ Any expenditures above the cap require additional approval by the Town voters for the budget to pass
- ❖ Given the number of years LD 1 has been in effect and the fluctuation of State Revenue Sharing, the cap needs to be lifted almost every year in conjunction with the approval of new budgets, regardless of any changes in local spending

# Preparing for Gray's Future: Staffing, Training, Resiliency, and Resourcefulness

- ❖ Director of Human Resources developing team skills, management, and leadership curriculum for enhanced professional development and training support for all Town staff
- ❖ Continuity Planning across all departments to focus on resiliency, cross-training, disaster recovery, and succession planning for Assistant Department Heads including Foremen and Public Safety Officers
- ❖ Town Clerk's office proposes another Assistant Clerk to help with Customer Service, Accounts Payable/Payroll processing, Administrative Assistance, and assistance to the Recreation Program
- ❖ The fully funded, full-time Firefighter/EMS employees continue to help Gray Fire and Rescue respond to higher call volume and less dependence on per-diem and call firefighters
- ❖ A new Public Services Administrator position will replace the Director of Public Works, serve as PW Department Head, and begin learning how the Transfer Station is managed as part of continuity planning initiative
- ❖ A new Light Equipment Operator position will drive a plow truck in the winter and assist Buildings & Grounds with new recreational facilities in the summer

# Implementing the 2020 Comprehensive Plan

- ✓ Town staff are focused on implementing goals of the 2020 Comprehensive Plan and priorities set by Town Council
- ✓ Council seeks flexibility on possible strategic real estate negotiations related to infrastructure and open space
- ✓ Council seeks flexibility on investing TIF funds in planning, design, and engineering for Yarmouth Road and Gray Village
- ✓ FY23 and FY24 budget appropriations for Planning Department contracted services will help with ordinance revisions and project management

## Gray Comprehensive Plan September 15, 2020



# Planning for Gray Village

FY24 budget appropriations include continued funding for Planning Department contracted services such as planning, design, and engineering

Planning staff, Public Works, and Town Council are working with the Town Manager and the Maine Department of Transportation on road construction projects on Yarmouth Road / Route 115 and Main Street / Route 100 that started in FY23 and will continue into FY24 and beyond

Gray began a public engagement effort in the summer of 2022, hosting an open design studio and a Community Block Party at Pennell. Two hundred Gray citizens participated in a community-driven design of Town-owned property in Gray Village, the Main Street streetscape, and bike-ped amenities to connect residents and citizens with businesses and other community resources

Our goal is to invest in Gray Village as a place that attracts new business and real estate investment, creates a vital center for public life, and meets other community needs



# Conclusion

- ❖ Gray's local government proposes thoughtful staff expansions to maintain public service levels and manage future growth
- ❖ Without fiscally-responsible, sustainable growth and development of the tax base, the cost of Town business to current property taxpayers will increase over time
- ❖ Thoughtful investments in future growth and development planning are a pathway to long-term financial stability and managing property tax fluctuations and increases
- ❖ Town staff is aligned around implementing the development goals laid out in the 2020 Comprehensive Plan
- ❖ Gray is unlocking tremendous potential for fiscally responsible, smart growth that will keep the town vital, safe, and prosperous

# Nate Rudy, Town Manager

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QUESTIONS AND COMMENTS?