

NATE RUDY,
TOWN
MANAGER

APRIL 5, 2022

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FY23 Municipal Budget Proposal Town of Gray, Maine

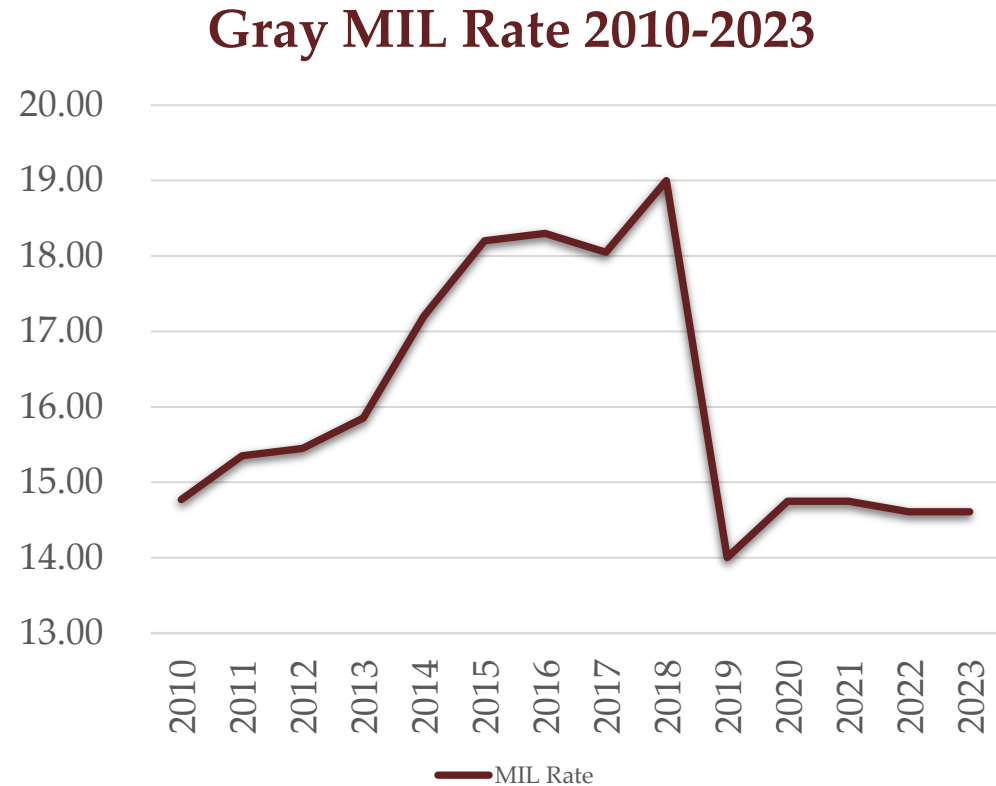
Thank You!

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

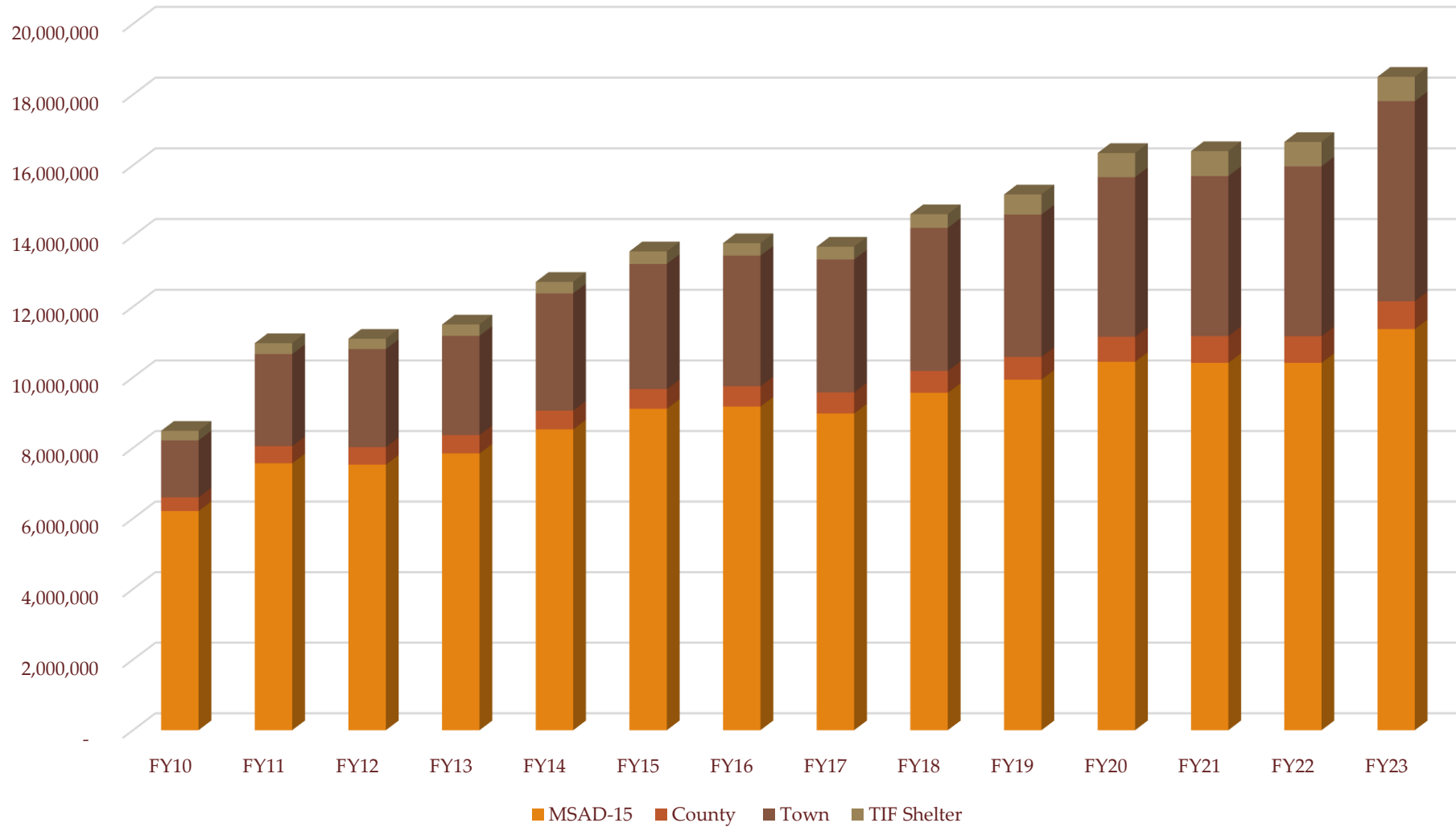
- ❖ Gray Town Council
- ❖ Katy Jewell, Finance Director
- ❖ Lauren Asselin, Town Assessor
- ❖ Gray Department Heads and Program Lead Staff
- ❖ Gray Citizens and Advocates from Organizations Seeking Community Support Funds
- ❖ State of Maine (with special thanks to the Governor and Legislature for full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

Quick Facts about the proposed FY23 Budget

- ❖ Proposed MIL rate **unchanged at 14.61**
- ❖ Total Taxable Property Value: \$1.18B
- ❖ Total Revenue Raised from Property Tax: \$15,175,916
- ❖ Property Tax on Average Value Gray Home (\$352,500): \$5,150
- ❖ Appropriations (estimations on TIF and County):
 - ❖ County: \$789,824 (4.3%)
 - ❖ Municipal: \$5,655,301 (30.6%)
 - ❖ TIF Value Sheltered: \$691,682 (3.7%)
 - ❖ School (MSAD-15): \$11,367,204 (61.4%)



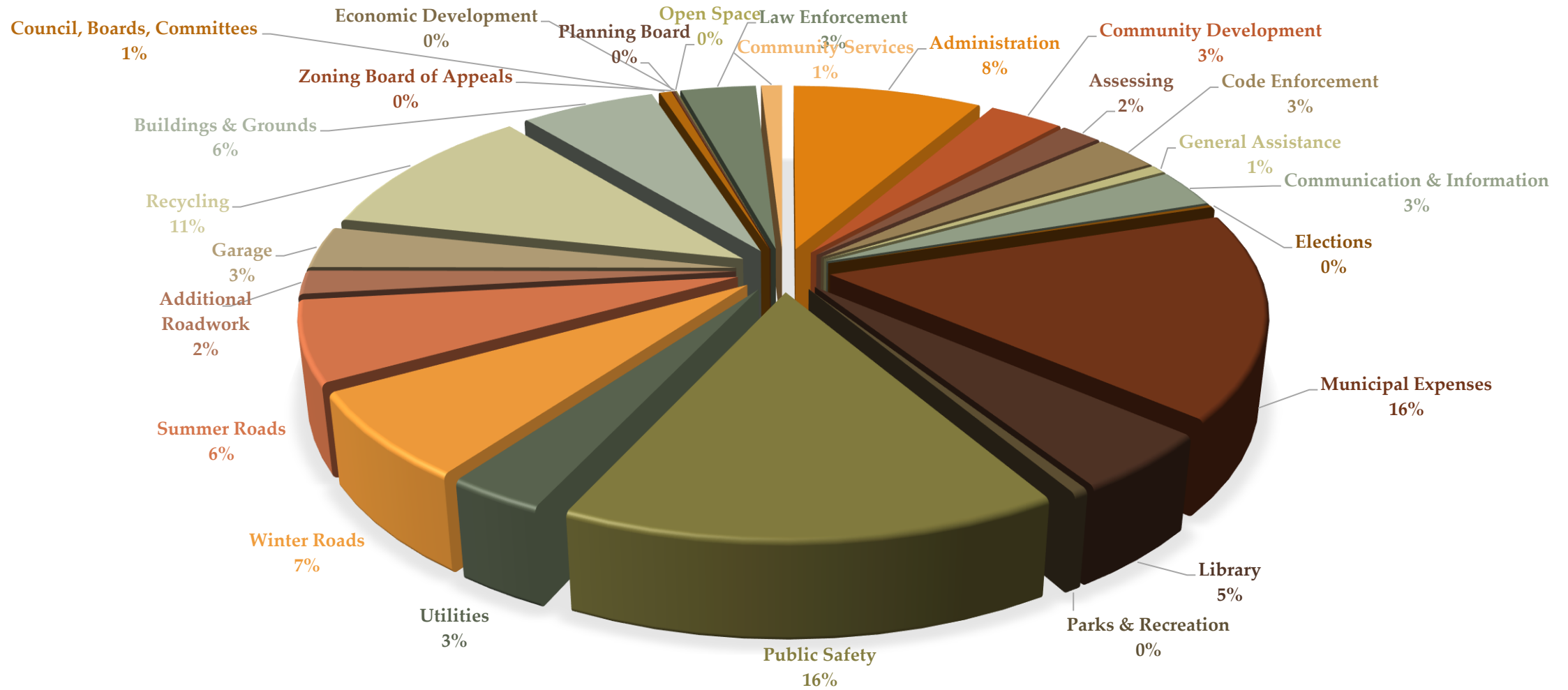
Proposed FY23 Appropriations vs. Historic



Fiscal Year	Tax Commitment Total	MSAD-15	County	Town	TIF Shelter
FY10	8,485,973	6,211,925	388,677	1,614,188	271,183
FY11	10,970,101	7,565,815	487,078	2,607,596	309,612
FY12	11,094,228	7,528,226	494,319	2,778,935	292,748
FY13	11,497,823	7,843,960	522,070	2,811,341	320,452
FY14	12,702,761	8,526,351	533,667	3,317,058	325,685
FY15	13,564,548	9,111,989	556,042	3,542,346	354,171
FY16	13,798,643	9,174,348	575,217	3,693,446	355,632
FY17	13,699,067	8,977,627	598,865	3,759,086	363,489
FY18	14,617,521	9,565,620	617,664	4,045,618	388,619
FY19	15,175,916	9,937,133	644,903	4,023,995	569,885
FY20	16,349,020	10,442,222	705,647	4,515,875	685,276
FY21	16,401,916	10,412,484	756,334	4,524,275	708,823
FY22	16,660,408	10,412,484	752,213	4,804,029	691,682
FY23	18,504,011	11,367,204	789,824	5,655,301	691,682

Proposed FY23 Appropriations vs. Historic

PROPOSED FY23 TOWN BUDGET BY DEPARTMENT (%)



Department	FY 2022			FY 2023		
	Original	Wage Adjustment	FINAL	Proposed	Increase/	
		Allocation			(Decrease)	
					vs Final FY 2022	
Administration	\$622,149.00	\$5,814.00	\$627,963.00	\$689,811.00	\$61,848.00	9.85%
Community Development	\$231,827.00	\$2,651.00	\$234,478.00	\$270,734.00	\$36,256.00	15.46%
Assessing	\$142,097.00	\$2,838.00	\$144,935.00	\$145,930.00	\$995.00	0.69%
Code Enforcement	\$202,331.00	\$4,392.00	\$206,723.00	\$233,895.00	\$27,172.00	13.14%
General Assistance	\$27,698.00	\$0.00	\$27,698.00	\$55,290.00	\$27,592.00	99.62%
Communication & Information	\$204,230.00	\$5,576.00	\$209,806.00	\$246,013.00	\$36,207.00	17.26%
Elections	\$14,211.00	\$0.00	\$14,211.00	\$16,289.00	\$2,078.00	14.62%
Municipal Expenses	\$1,187,679.00	(\$73,175.00)	\$1,114,504.00	\$1,336,687.00	\$222,183.00	19.94%
Library	\$328,633.00	\$3,814.00	\$332,447.00	\$384,065.00	\$51,618.00	15.53%
Parks & Recreation	\$38,020.00	\$0.00	\$38,020.00	\$40,289.00	\$2,269.00	5.97%
Public Safety	\$1,111,202.00	\$12,483.00	\$1,123,685.00	\$1,283,163.00	\$159,478.00	14.19%
Utilities	\$239,184.00	\$0.00	\$239,184.00	\$252,564.00	\$13,380.00	5.59%
Winter Roads	\$518,950.00	\$3,550.00	\$522,500.00	\$565,526.00	\$43,026.00	8.23%
Summer Roads	\$492,359.00	\$4,749.00	\$497,108.00	\$521,358.00	\$24,250.00	4.88%
Additional Roadwork	\$157,503.00	\$0.00	\$157,503.00	\$152,503.00	(\$5,000.00)	-3.17%
Garage	\$240,124.00	\$1,565.00	\$241,689.00	\$272,957.00	\$31,268.00	12.94%
Recycling	\$825,698.00	\$12,783.00	\$838,481.00	\$882,948.00	\$44,467.00	5.30%
Buildings & Grounds	\$445,642.00	\$12,960.00	\$458,602.00	\$491,424.00	\$32,822.00	7.16%
Council, Boards, Committees	\$40,715.00	\$0.00	\$40,715.00	\$43,515.00	\$2,800.00	6.88%
Zoning Board of Appeals	\$1,700.00	\$0.00	\$1,700.00	\$1,750.00	\$50.00	2.94%
Planning Board	\$4,475.00	\$0.00	\$4,475.00	\$7,025.00	\$2,550.00	56.98%
Economic Development	\$8,950.00	\$0.00	\$8,950.00	\$5,830.00	(\$3,120.00)	-34.86%
Open Space	\$1,000.00	\$0.00	\$1,000.00	\$1,500.00	\$500.00	100.00%
Law Enforcement	\$288,081.00	\$0.00	\$288,081.00	\$274,591.00	(\$13,490.00)	-4.68%
Community Services	\$32,075.00	\$0.00	\$32,075.00	\$76,384.00	\$44,309.00	138.14%
TOTAL GENERAL FUND EXPENSES	\$7,406,533.00	\$0.00	\$7,406,533.00	\$8,252,041.00	\$845,508.00	11.42%
TOTAL GENERAL FUND REVENUE	\$3,524,651.00		\$3,524,651.00	\$4,216,740.00	\$692,089.00	19.64%
TOTAL NET GENERAL FUND BUDGET	\$3,881,882.00		\$3,881,882.00	\$4,035,301.00	\$153,419.00	3.95%
Capital Projects	\$1,765,000.00		\$1,765,000.00	\$2,455,000.00	\$690,000.00	39.09%
TOTAL CAPITAL RESERVE FUND EXPENSES	\$1,765,000.00		\$1,765,000.00	\$2,455,000.00	\$690,000.00	39.09%
TOTAL CAPITAL RESERVE FUND REVENUE	\$500,000.00		\$500,000.00	\$835,000.00	\$335,000.00	167.00%
TOTAL NET CAPITAL RESERVE FUND BUDGET	\$1,265,000.00		\$1,265,000.00	\$1,620,000.00	\$355,000.00	28.06%
TOTAL PROPOSED FY 2023 BUDGET	\$5,146,882.00		\$5,146,882.00	\$5,655,301.00	\$508,419.00	9.88%

Budget Item	FY23 Dept Request	FY23 Manager Request	FY23 Proposal	FY23 Proposed % Incr. vs FY22	FY23 Proposed \$ Incr. vs FY22
Capital Reserves	\$ 1,765,000	\$ 2,000,000	\$ 2,455,000	39%	\$ 690,000
FT Wage Market Correction and COLA / Performance	\$ 80,000	\$ 215,000	\$ 215,000	169%	\$ 208,175
Transfer Station Tipping Fees	\$ 298,070	\$ 341,750	\$ 341,750	15%	\$ 43,680
Royal River Land Trust Parking Area (One Time)	\$ -	\$ -	\$ 30,000	100%	\$ 30,000
PW Salt	\$ 205,000	\$ 235,000	\$ 235,000	15%	\$ 30,000
General Assistance Rental Payments	\$ 15,000	\$ 40,000	\$ 40,000	167%	\$ 25,000
Emergency Management Contingency Fund (New)	\$ -	\$ 20,000	\$ 20,000	100%	\$ 20,000
PW Road Striping & Crosswalks	\$ 75,300	\$ 90,300	\$ 90,300	20%	\$ 15,000
Staff Computers and Technology Updates	\$ 3,900	\$ 14,173	\$ 16,473	322%	\$ 12,573
Senior Tax Assistance Program	\$ -	\$ 12,500	\$ 12,500	100%	\$ 12,500
Hydrant Fee from GWD	\$ 213,384	\$ 224,064	\$ 224,064	5%	\$ 10,680
Vac/Sick Accrual Payout Fund	\$ 25,000	\$ 25,000	\$ 35,000	40%	\$ 10,000
Continuing Education for Town Mgr	\$ 5,000	\$ 5,000	\$ 14,700	194%	\$ 9,700

Major Expense Budget Increases FY23 vs FY22 (over \$10,000)

Budget Item	FY23 Dept Request	FY23 Manager Request	FY23 Proposal	FY23 Proposed % Decr. vs FY22	FY23 Proposed \$ Decr. vs FY22
County Sheriff Contract	\$ 276,909	\$ 264,691	\$ 264,691	-4.41%	\$ (12,218)
Transfer Station Hauling Fees	\$ 123,000	\$ 111,984	\$ 111,984	-8.96%	\$ (11,016)
Plowing/Sanding Private Roads	\$ 155,000	\$ 150,000	\$ 150,000	-3.23%	\$ (5,000)
Newbegin Building Supplies / Maintenance	\$ 10,000	\$ 6,000	\$ 6,000	-40.00%	\$ (4,000)
Workers Compensation Insurance	\$ 100,955	\$ 97,698	\$ 97,698	-3.23%	\$ (3,257)
TRIO Accounting Software Contract	\$ 19,429	\$ 16,256	\$ 16,256	-16.33%	\$ (3,173)
Community Development Advertising	\$ 3,350	\$ 3,350	\$ 280	-91.64%	\$ (3,070)
Cemetery Maintenance	\$ 33,050	\$ 30,500	\$ 30,500	-7.72%	\$ (2,550)
Library Building Supplies / Maintenance	\$ 7,500	\$ 5,000	\$ 5,000	-33.33%	\$ (2,500)
Dept. of Assessment Computer Support	\$ 2,685	\$ 675	\$ 675	-74.86%	\$ (2,010)

Major Expense Budget Decreases FY23 vs FY22 (over \$2,000)

Other Notable Expense Increases

- ❖ Vehicle Gas and Diesel cost increases due to global market fluctuations
- ❖ Heating Fuel cost increases expected, but we are locking in affordable rates as we can find them
- ❖ Legal Services Rate Increase – Town has issued request for proposals
- ❖ Competitive Wage Adjustment for Part Time and Seasonal Employees for staff retention and recruitment
- ❖ Employee Retirement Fund match increase due to wage adjustments
- ❖ Employee Cost of Living Adjustment (COLA) – 2%
- ❖ Performance Based Wage Adjustment – up to 2% based on individual, department, and Town goal achievement

Capital Improvement Plan and Town Facility Use Study



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 and Grounds Department will move to the Village Station 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 CIP budget

Proposed Wage Corrections vs. Comparable Municipalities

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

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

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

The current “market” for top talent is very competitive and inflation has been extremely high in the past year (CPI 7.5%).

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.

Wage corrections are separate from cost-of-living adjustments (COLA) and performance-based incentives.

Proposed Wage Corrections vs. Comparable Municipalities

✓ To help mitigate the mil 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.

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

Major Revenue Budget Changes FY23 vs. FY22 (over \$10,000)

Revenue Budget Item	FY 2022 Budget	FY 2023 Proposed Budget	% Increase	\$ Increase
Route 100 TIF Transfer to Capital Fund	\$ 245,410	\$ 995,000	305%	\$ 749,590
State Revenue Sharing	\$ 656,894	\$ 1,123,991	71%	\$ 467,097
Unassigned Fund Balance Transfer to Capital Fund	\$ 500,000	\$ 835,000	67%	\$ 335,000
Light Iron Recycling	\$ 33,000	\$ 65,000	97%	\$ 32,000
Recreation Enterprise Fund Transfer to General Fund	\$ -	\$ 30,000		\$ 30,000
Auto Excise Tax	\$ 1,825,000	\$ 1,850,000	1%	\$ 25,000
Building Permit Fees	\$ 133,000	\$ 155,000	17%	\$ 22,000
GA Reimbursement from State	\$ 10,000	\$ 31,675	217%	\$ 21,675
Cardboard Recycling	\$ 10,000	\$ 26,000	160%	\$ 16,000
Rescue Service Fees	\$ 270,000	\$ 285,000	6%	\$ 15,000
Interest on Delinquent Taxes	\$ 50,000	\$ 60,000	20%	\$ 10,000
Clerk Fees-Auto Registrations	\$ 34,000	\$ 39,500	16%	\$ 5,500

Major Revenue Budget Changes FY23 vs. FY22 (over \$10,000)

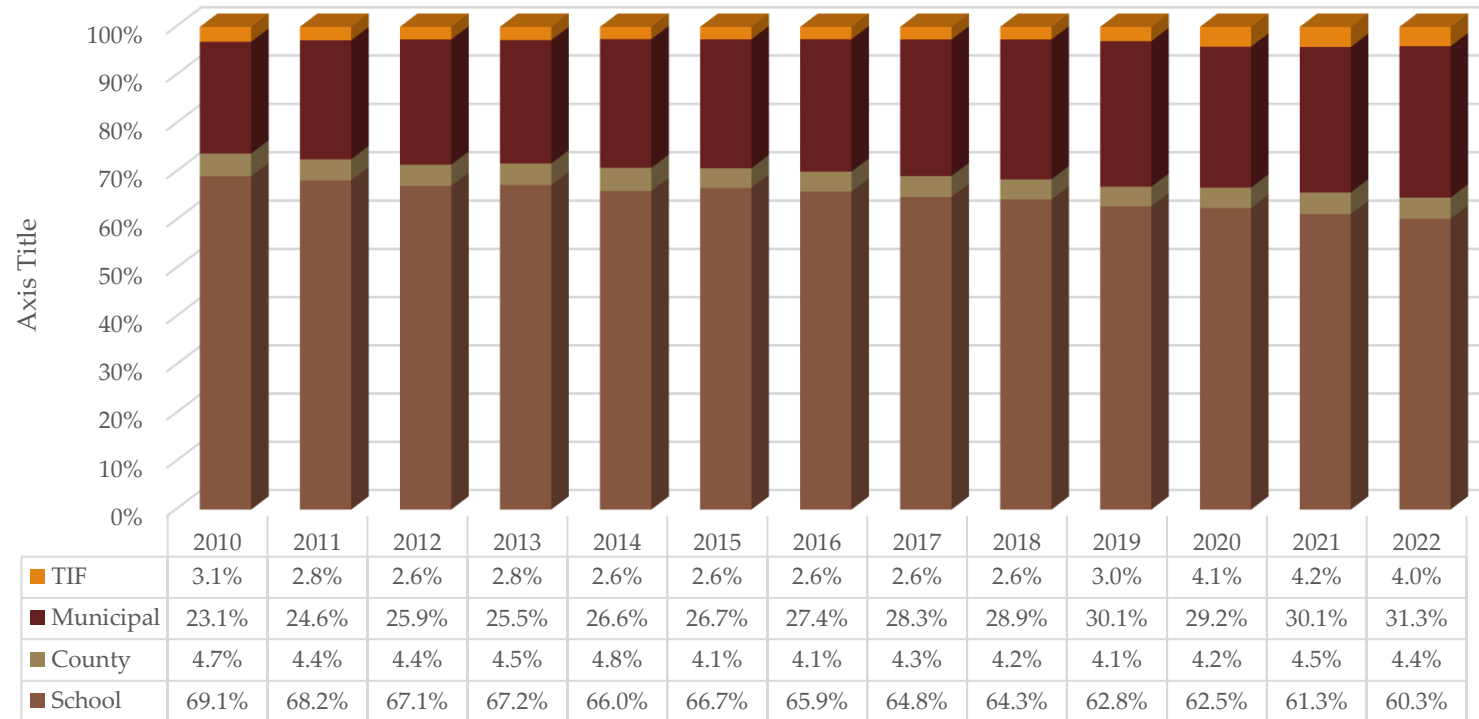
Revenue Budget Item	FY 2022	FY 2023		\$ Increase
	Budget	Proposed Budget	% Increase	
General Fund				
Miscellaneous Revenue	\$3,524,151	\$4,155,238	17.9%	\$631,087
Revenue to General Fund from Town Fund Transfers	\$500	\$61,502	12200.4%	\$61,002
TOTAL PROPOSED GENERAL FUND REVENUE:	\$3,524,651	\$4,216,740	19.6%	\$692,089
Other Transfers:				
Unassigned Fund Balance	\$500,000	\$835,000	67.0%	\$335,000
Village TIF Transfer	\$75,000	\$50,000	-33.3%	-\$25,000
Route 100 TIF Transfer	\$245,410	\$995,000	305.4%	\$749,590
TOTAL PROPOSED CAPITAL RESERVE FUND REVENUE:	\$820,410	\$1,880,000	129.2%	\$1,059,590
TOTAL PROPOSED FY 2023 REVENUE:	\$4,345,061	\$6,096,740	40.3%	\$1,751,679

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 approval by the Town voters.
- ❖ 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.

FY10-FY22 Historic Appropriations

Gray Tax Appropriation History 2010-2022



Note: Chart shows % of Total Assessment but not Change in Amount of Assessment from Year to Year

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

- ❖ Reorganization goals include a Director of Human Resources (Department Head level) and enhanced professional development and training support for all Town staff
- ❖ New Hires include a Town Clerk (Department Head level) and an Administrative Assistant to help with workload challenges in the Departments of Planning and Code Enforcement
- ❖ An Assistant Library Director will help enrich library services and support the Town moving the IT and Communications Department management to the Library
 - ❖ Increased staff support will help the Town address increasing cybersecurity threats and maintain web-based outreach and citizen self-service portals.
- ❖ Two new full-time Firefighter/EMS employees to help Gray Fire and Rescue respond to higher call volume and less dependence on per-diem and call firefighters
- ❖ 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

Implementing the 2020 Comprehensive Plan

- ✓ 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 and design for Yarmouth Road and Gray Village
- ✓ FY23 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

FY23 budget appropriations include funding for Planning Department contracted services such as engineering and design

Planning staff, Public Works, and Town Council will work with the Town Manager and the Maine Department of Transportation on road construction projects on Yarmouth Road / Route 115 and Main Street / Route 100 in FY23 and beyond

Gray will begin a public engagement effort this year and host 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 and meets other community needs

Conclusion

- ❖ No Change to average property tax bill in FY23 vs. last year's
- ❖ Most property owners will not experience a tax increase
- ❖ Increased revenue sharing is part of why we require an LD-1 override
- ❖ Without fiscally-responsible, sustainable growth and development the cost of Town business to property taxpayers will increase
- ❖ Thoughtful investments in future growth and development planning are a pathway to long term financial stability and managing property taxes
- ❖ Town staff is aligned around development plans laid out in the 2020 Comprehensive Plan
- ❖ Gray has 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?