

# Town of Gray • Proposed Municipal Budget Guide • FY 2022 ( July 1, 2021 – June 30, 2022 )

## Budget Summary

### Expense Budget

\$ 1,444,543	Administration
\$ 2,952,679	Municipal Expenses
\$ 366,653	Library, Parks & Recreation
\$ 1,350,386	Public Safety
\$ 2,680,276	Public Works
\$ 56,840	Council, Boards, Committees
\$ 288,081	Law Enforcement
\$ 32,075	Community Services
\$ 9,171,533	Total Expense Budget



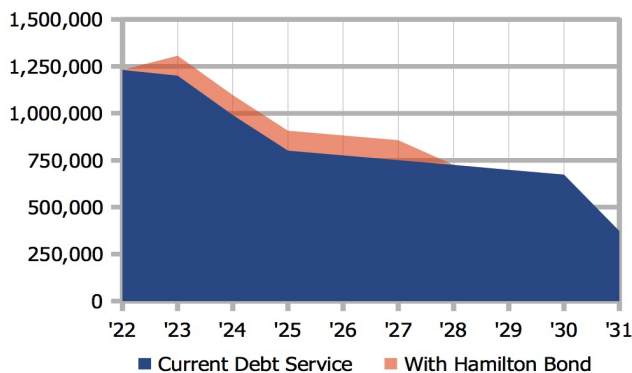
**A decreasing budget** With revenue increasing faster than expenses the proposed 2022 budget is **-2.5%** less than the 2021 budget. The MIL rate will stay the same at \$14.75.

**Stabilized funding for the Capital Improvement Plan (CIP)** allowed us to make a smaller contribution to the CIP Reserve account in 2022 and still maintain the health of the fund for the future.

**Route 115 Reconstruction** Money will be set aside to begin planning for the repair and widening of Rte 115 (Yarmouth Rd.) from the Village up to the top of Week's Hill. The work will include; enlarging the right of way, road and stormwater improvements, sidewalks, "traffic calming" features, and the possible reconfiguration of the Brown St. & Yarmouth Rd. intersection as well as the installation of a new water main.

**Bond Rating** The Town has excellent bond ratings which allows us to borrow at lower interest rates. **AA+** from Standards & Poor's, their 2<sup>nd</sup> highest and **Aa2** from Moody's, their 3<sup>rd</sup> highest. We attained these due to our "good financial polices and practices" and "low overall debt". Seventy (70) plus % of the current debt will be repaid within 10 years.

### Debt Service Payments



**A new Senior Tax Assistance program** requires voter approval to increase the expense budget and local property taxes to fund the program. If approved, taxes on a \$250,000 property will increase by \$10.00 in the first year. Residents who qualify for the program may apply to have some of their property taxes refunded. (See Articles 12 & 13)

**Where do our local property taxes go?** **63%** to MSAD15, **29%** to the Town, **4%** to Cumberland County and **4%** into our TIF fund. (see the chart to the right)

**Tax Increment Financing (TIF)** allows the Town to set aside local property taxes to be used for local projects. This does not negatively impact the school funding formula for MSAD15, or the State's revenue sharing calculations for the Town during the life of the TIF.

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

- Article 1** Is reserved for electing a moderator at Town Meetings and so it does not appear on the ballot.
- Article 2** Gives the Town permission to accept Federal, State & other revenue to help fund the 2022 budget.
- 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 in 2001.
- Article 5** Shall the Town vote to appropriate \$2,147,935 from the Capital Reserve Fund to pay for: (see page 4 for a complete listing)

**Debt Service** \$1,230,900. **Paving** \$467,625. **Sidewalks** \$175,910. **Miscellaneous** \$161,500. **Land Acquisition** \$50,000. **IT** \$34,500.

- Article 6** Town can accept & spend, for specific purposes money from dedicated accounts. Includes fees raised by the Rec Dept., permits, etc.
- Article 7** Puts money from the sale of Town vehicles, equipment, etc. valued at \$100,000 or less into the Capital Reserve Fund.
- Article 8** Allows gifts & donations from Rec., Library, Fire/Rescue Assoc. & other funds to be spent for the intended purposes.
- Article 9** Allows the Town Council to make tax abatement payments.

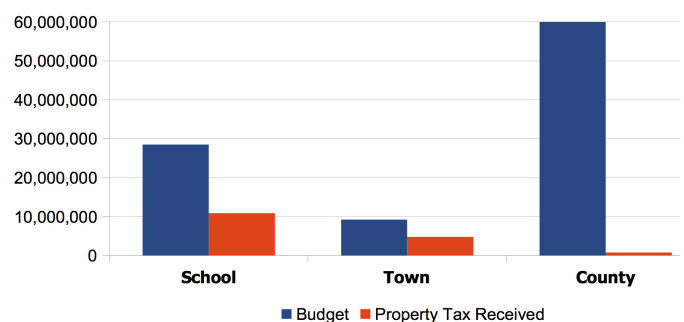
**Article 10** Allows the purchase of the "Hamilton" property, located on Main Street opposite Colley Hill Road, for \$500,000. To enable the Town to implement short and long-term uses and improvements consistent with the Comprehensive Plan. Paid for by a bond authorized by Article 11. **A yes vote does not effect the Mil rate this year.**

**Article 11** Shall a \$500,000 bond (totaling \$531,183 with interest) be authorized to purchase the "Hamilton" property authorized in Article 10? **The purchase does not exceed the Town's LD1 cap and the bond will be repaid in 5 years.** (see "Debt Service Payments" chart on this pg)

**Article 12** Shall the Town vote to raise and appropriate \$25,000 to fund Senior Property Tax Assistance program as described in Town of Gray Ordinance Section 305, which provides property tax refund payments to those individuals seventy (70) years of age and over who maintain a homestead in the Town of Gray and meet the income and eligibility criteria established by the ordinance? **Article 13 must pass for this Article to be authorized.**

**Article 13** Shall the Town's property tax levy limit be increased by \$4,028 for the purpose of funding the Senior Property Tax Assistance program detailed in Article 12 above? This will result in a local property tax increase. In 2004 Maine passed the Municipal Expenditure Cap known as "LD1". The State calculates our cap from our Town Assessor's data. The cap only restricts growth in municipal taxes, not MSAD15 or county taxes. **This Article must pass for Article 12 to be authorized.**

### Where Does Our Property Tax Go?



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A Expense Budget Summary		B FY 2021 Voter Approved Budget	C FY 2022 Proposed Budget	D FY 2021 vs FY 2022 Difference	E % Change for each line item	F % of Total FY 2022 Budget
1	<b>Administration</b>					
2	Administration	634,116	622,149	-11,967	-1.9%	8.4%
3	Community Development	233,746	231,827	-1,919	-0.8%	3.1%
4	Assessing	143,355	142,097	-1,258	-0.9%	1.9%
5	Code Enforcement	204,738	202,331	-2,407	-1.2%	2.7%
6	General Assistance	24,298	27,698	3,400	14.0%	0.4%
7	Communication & Information	201,827	204,230	2,403	1.2%	2.8%
8	Elections	16,089	14,211	-1,878	-11.7%	0.2%
9	<b>Administration</b>	<b>1,458,169</b>	<b>1,444,543</b>	<b>-13,626</b>	<b>-0.9%</b>	<b>19.5%</b>
10	<b>Municipal Finances</b>					
11	General & Medical Insurance	1,135,837	1,082,679	-53,158	-4.7%	14.6%
12	Annual Wage Adjustments	0	80,000	80,000		1.1%
13	Vacation & Sick Time Accrual	35,000	25,000	-10,000	-28.6%	0.3%
14	<b>Municipal Finances</b>	<b>1,170,837</b>	<b>1,187,679</b>	<b>16,842</b>	<b>1.4%</b>	<b>16.0%</b>
15	<b>Library, Parks &amp; Recreation</b>					
16	Library	328,840	328,633	-207	-0.1%	4.4%
17	Parks & Recreation	67,354	38,020	-29,334	-43.6%	0.5%
18	<b>Library, Parks &amp; Recreation</b>	<b>396,194</b>	<b>366,653</b>	<b>-29,541</b>	<b>-7.5%</b>	<b>5.0%</b>
19	<b>Public Safety</b>					
20	Public Safety	1,114,933	1,111,202	-3,731	-0.3%	15.0%
21	Utilities	222,434	239,184	16,750	7.5%	3.2%
22	<b>Public Safety</b>	<b>1,337,367</b>	<b>1,350,386</b>	<b>13,019</b>	<b>1.0%</b>	<b>18.2%</b>
23	<b>Public Works</b>					
24	Winter Roads	516,751	518,950	2,199	0.4%	7.0%
25	Summer Roads	464,648	492,359	27,711	6.0%	6.6%
26	Additional Roadwork	146,095	157,503	11,408	7.8%	2.1%
27	Garage	245,540	240,124	-5,416	-2.2%	3.2%
28	Recycling	792,347	825,698	33,351	4.2%	11.1%
29	Buildings & Grounds	347,693	445,642	97,949	28.2%	6.0%
30	<b>Public Works</b>	<b>2,513,074</b>	<b>2,680,276</b>	<b>167,202</b>	<b>6.7%</b>	<b>36.2%</b>
31	<b>Council, Boards, Committees</b>					
32	Council, Boards, Committees	47,615	40,715	-6,900	-14.5%	0.5%
33	Zoning Board of Appeals	3,900	1,700	-2,200	-56.4%	0.0%
34	Planning Board	4,725	4,475	-250	-5.3%	0.1%
35	Economic Development	9,100	8,950	-150	-1.6%	0.1%
36	Open Space	0	1,000	1,000	100.0%	0.0%
37	<b>Council, Boards, Committees</b>	<b>65,340</b>	<b>56,840</b>	<b>-8,500</b>	<b>-13.0%</b>	<b>0.8%</b>
38	<b>Law Enforcement</b>					
39	Law Enforcement	253,786	288,081	34,295	13.5%	3.9%
40	<b>Law Enforcement</b>	<b>253,786</b>	<b>288,081</b>	<b>34,295</b>		<b>3.9%</b>
41	<b>Community Services</b>					
42	Community Services	31,131	32,075	944	3.0%	0.4%
43	<b>Community Services</b>	<b>31,131</b>	<b>32,075</b>	<b>944</b>	<b>3.0%</b>	<b>0.4%</b>
44	<b>TOTAL GENERAL FUND EXPENSES</b>	<b>7,225,898</b>	<b>7,406,533</b>	<b>180,635</b>	<b>2.5%</b>	
45	<b>TOTAL GENERAL FUND REVENUE</b>	<b>3,396,829</b>	<b>3,524,651</b>	<b>127,822</b>	<b>3.8%</b>	
46	<b>* TOTAL GENERAL FUND BUDGET</b>	<b>3,829,069</b>	<b>3,881,882</b>	<b>52,813</b>	<b>1.4%</b>	

## Capital Reserve Fund Budget (CIP)

50	Capital Reserve Project Expense (CIP)	1,800,000	1,765,000	-35,000	-1.9%
51	Total Capital Reserve Fund Revenue	681,000	820,410	139,410	20.5%
52	<b>TTL CAP RESERVE FUND BUDGET</b>	<b>1,119,000</b>	<b>944,590</b>	<b>-174,410</b>	<b>-15.6%</b>
54	<b>TTL PROPOSED FY 2020-2021 BUDGET</b>	<b>4,948,069</b>	<b>4,826,472</b>	<b>-121,597</b>	<b>-2.5%</b>

\* The amount of the Expense Budget to be raised locally through property taxes.

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## General Fund Revenue

			Proposed	
			FY 2021	FY 2022
Accounts	Description		Budget	Budget
1	01-100 to 01-104	Clerk Fees *	\$ 39,100	43,200
2	01-105 to 01-145	Planning Dept / CEO Fees *	\$ 172,850	188,350
3	01-150	Dog Control	\$ 7,000	4,000
4	01-151	Public Communications	\$ 0	0
5	02-010	Auto Excise Tax	\$ 1,775,000	1,825,000
6	02-015	Boat Excise Tax	\$ 21,000	21,222
7	02-041	Cable Franchise Fees	\$ 100,000	102,000
8	02-200	Interest-General Fund	\$ 25,000	25,000
9	02-201	Interest on Delinquent Taxes	\$ 50,000	50,000
10	02-850	Payment Rebates	\$ 0	0
11	02-900	Miscellaneous Revenue	\$ 10,000	10,000
12	03-066	Lost Book	\$ 1,030	1,030
13	03-067	Library Fines	\$ 6,000	3,000
14	04-055	Rescue Fees	\$ 200,000	270,000
15	05-039	Gravel Pits	\$ 1,100	1,100
16	05-048	Driveway Opening	\$ 4,250	5,500
17	05-066	Tree Removal	\$ 4,500	4,500
18	05-078 to 05-097	Transfer Station Fees & Income *	\$ 114,250	116,500
19	06-049	Shoreland Application Fee	\$ 4,000	4,000
20	06-053	Junkyard Fees	\$ 50	50
21	06-370	Zoning Board Applications	\$ 500	500
22	06-380	Planning Board Fees	\$ 15,000	12,500
23	06-862	Blueberry Festival	\$ 4,200	4,200
24	11-005	DOT Local Roads	\$ 144,000	135,000
25	11-008	GA Reimbursement	\$ 10,000	10,000
26	11-060	State Revenue Sharing	\$ 656,894	656,894
27	11-061	Snowmobiles	\$ 3,000	3,000
28	11-062	Tree Growth	\$ 21,700	21,700
29	11-063	Veterans Reimbursement	\$ 5,005	5,005
30	11-067	Animal Waste Facility	\$ 900	900
31	Transferred from	Henry Pennell Mncpl Cmplx Fund	\$ 500	500
32	<b>Total General Fund Revenue</b>		<b>\$ 3,396,829</b>	<b>3,524,651</b>

## Projected Capital Reserve Fund Revenue

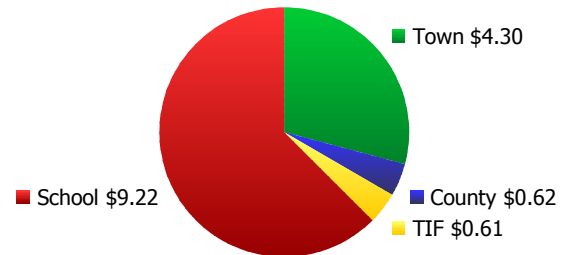
			Projected	
			Budget FY	Budget FY
	Description		2020-2021	2021-2022
33	Unassigned Fund Balance		681,000	500,000
34	Village TIF Transfer	\$	0	75,000
35	Route 100 TIF Transfer	\$	0	245,410
36	<b>Total Capital Reserve Fund Revenue</b>		<b>\$ 681,000</b>	<b>820,410</b>

**TOTAL PROPOSED CAPITAL RESERVE FUND REVENUE \$ 4,077,829 4,345,061**

\* This figure is the total of multiple accounts in this department.

## Budget and Project Highlights

### \$14.75 Projected MIL Rate



**Hamilton property purchase** The Town has an opportunity, with voter approval to purchase the Hamilton property across from Town Hall. Purchasing the property will give the voters a say in how the property is developed.

**Land Acquisition Fund** The proposed budget includes additional money for the fund. Maintaining Gray's rural character is component of the Comp Plan approved last year. The Open Space Committee has been working to develop a plan for reaching out to local land owners and a framework for accepting, acquiring and protecting both access and property rights.

**Rebuilding Main Street (Rte 100/4/202)** We have been informed by the Maine Dept. of Transportation (MDOT) of their plan to replace the storm water system on Main St. from the VFW to Yarmouth Rd. and down Rtes. 202/115/100 to the Turnpike. The Gray Water District will replace the water main. Other possible projects include burying the Village's utilities, sidewalk improvements, creating new crosswalks and traffic "calming" features to slow traffic through the Village.

**2020 Financial Audit** The Auditors determined that the financial standards, reports, schedules and processes used by the Town meet and comply with the Government Auditing Standards issued by the Comptroller General of the United States. "...our tests disclosed no instances of noncompliance or other matters that are required to be reported..."

**Wilkie's Beach boat ramp, ATV and Bike/Ped Trails and the Yarmouth Road Park** We are seeking or have received grants to fund the creation, replacement or repair of these projects to lessen the impact on local taxes.

**Water damage at Town Hall covered by insurance** While the water damage caused by a faulty sprinkler system created significant damage to the Town Hall. Our staff worked extremely hard and succeeded in keeping the Town Hall open during the clean up and repairs. For this we owe them our sincerest thanks. Fortunately insurance is covering almost all the cost of the clean up and repairs.

**Comprehensive Plan** The Council has begun implementing the plan approved last year. By using a Contract Zone Agreement (CZA) the Town will acquire 12 new acres of open space and protect the existing public access to trails through a proposed sub division. In addition, all Town Council committees have been asked to look at how their committee will help the Town meet the goals of our Comp Plan.

**The Pocket Park, a new playground and a use study for the Pennell Lab** are all being paid for with grant money obtained by the Town.

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## Proposed Capital Improvement Projects

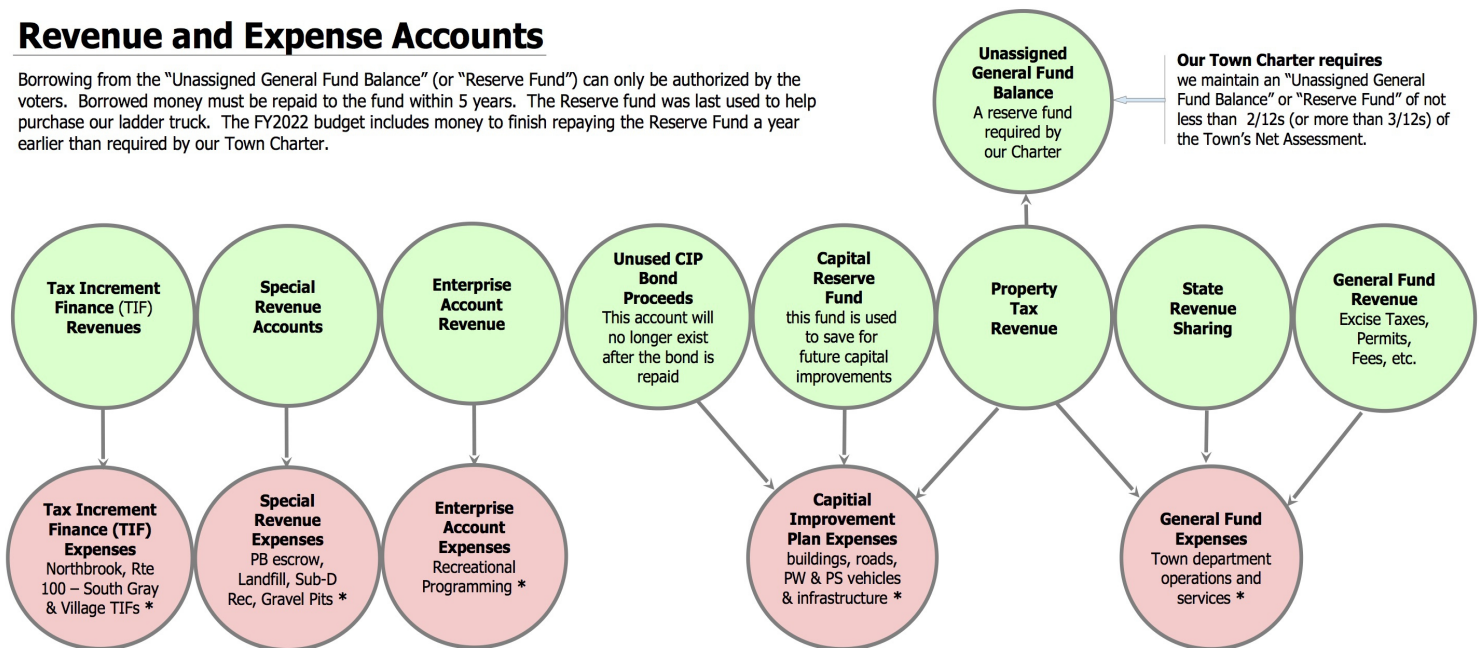
1	<b>Administration</b>		
2	Public Buildings Reserve Account	\$	15,000
3	Computers (Town-wide per schedule)	\$	20,000
4	GCTV Equipment	\$	14,500
5	Pennell Septic Plan	\$	5,000
6	Pleasant River Restoration Project, Phase II	\$	5,000
7	Thayer Brook/Presumpscot River Testing	\$	2,000
8	Groundwater Analysis	\$	29,500
9	Gray Village Revitalization/CDEP *	\$	75,000
10	<b>Administration Total</b>	<b>\$</b>	<b>166,000</b>
11			
12	<b>Municipal Finances – Debt Service</b>		
13	Bond-Bridges/Road (FY 2015-24)	\$	172,461
14	Bond-Library (FY 2015-24)	\$	177,214
15	Bond-PW/Transfer Station (FY 2010-30)	\$	214,000
16	Bond-Pennell (FY 2010-30)	\$	160,500
17	Bond-Town Wide (FY 2019-39)	\$	506,725
18	<b>Municipal Finances</b>	<b>\$</b>	<b>1,230,900</b>
19			
20	<b>Library, Parks &amp; Recreation</b>		
21	Basketball Court Lights	\$	2,500
22	Land Acquisition Fund Payment	\$	50,000
23	<b>Administration Total</b>	<b>\$</b>	<b>52,500</b>

24	<b>Public Works</b>		
25	Paving – Dutton Hill Road	\$	174,675
26	Paving – Hancock Street	\$	19,125
27	Paving – Summit Road	\$	20,825
28	Paving – Linden Lane	\$	25,925
29	Paving – Liberty Avenue	\$	14,875
30	Paving – Stave Mill Road	\$	19,125
31	Paving – Marie Street	\$	18,275
32	Paving – Marian Avenue	\$	8,500
33	Paving – Jenny Drive	\$	22,100
34	Paving – Fran Circle	\$	59,500
35	Paving – Megquire Road	\$	17,425
36	Paving – Alling Drive	\$	14,875
37	Paving – Gray Stone Road	\$	24,650
38	Paving – Spiro Ave	\$	9,350
39	Pavement Condition Study	\$	18,400
40	Electric Vehicle Charger Installation	\$	5,000
41	Road Reconstruction – Yarmouth Road (a)	\$	175,910
42	Water District Planning & Engineering	\$	40,000
43	Stormwater Modeling	\$	10,000
44	<b>Total Public Works</b>	<b>\$</b>	<b>698,535</b>
45			
46	<b>Total Proposed Capital Improvements</b>	<b>\$</b>	<b>2,147,935</b>

\* CDEP – Community Development Economic Planning

## 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 FY2022 budget includes money to finish repaying the Reserve Fund a year earlier than required by our Town Charter.



\* A complete listing of all the components of these revenue and expense funds can be found on the Town's website.

**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 extended 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.