



MIL RATE

FY 23-24 proposed 8.716 +3.9%

FY 22-23 current yr 8.392 +4.4%

FY 21-22 8.035 +2.0%

FY 20-21 7.880 no change

FY 19-20 7.880 +2.4%

FY 18-19 7.694 no change

FY 17-18 7.694 no change



MIL RATE

with approval of Article 12

FY 23-24 proposed 8.549 +1.9%

FY 22-23 current yr 8.392 +4.4%

FY 21-22 8.035 +2.0%

FY 20-21 7.880 no change

FY 19-20 7.880 +2.4%

FY 18-19 7.694 no change

FY 17-18 7.694 no change



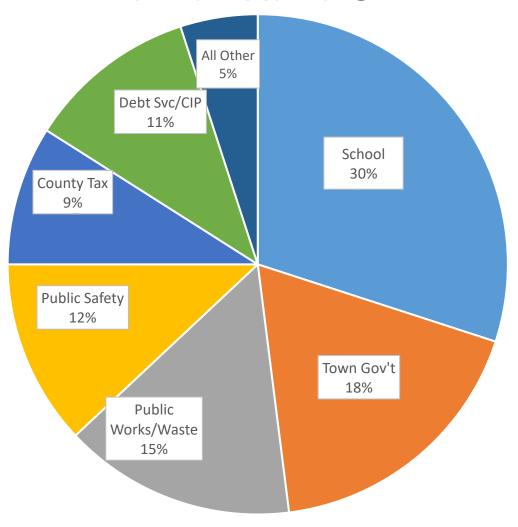
MIL RATE Impact on taxes

The proposed mil rate increases would have this impact on annual property taxes:

	<u>+3.9%</u>	<u>+1.9%</u>
\$200,000 property	+ \$65	+\$33
\$300,000 property	+ \$97	+\$50
\$400,000 property	+ \$130	+\$67
\$500,000 property	+ \$162	+\$84



NET EXPENSE





Year-over-Year Budget Expenses NET of Revenues

157. 1943	<u>FY 23</u>	% change	<u>FY 24</u>
Budgeted use of prior-year surplus & reserves	-80k	<mark>+40%</mark>	-112k
Education expenses	457k	<mark>-1%</mark>	454k
> Town Positions/Government/Wellness Center	217 k	<mark>+25%</mark>	271k
Public Safety expenses	173k	<mark>+4%</mark>	179k
> Solid Waste & Public Works expenses	205k	<mark>+11%</mark>	228k
Direct Funded CIP & Debt Service expenses	167k	<mark>-0%</mark>	167k
Cumberland County Tax	127k	+11%	141k
> All other (including Community Center & Insurance)	68k	<mark>+1%</mark>	69k



Major Revenue Changes

compared with this year's budget (\$ in thousands)

Auto excise tax	+14	Estimate based on this year's actual
American Rescue Plan Grant	-13	No additional payment in FY 23-24
Federal & State Education Grants	+16	Estimates
Wellness Council donations &		Moved to Friends of the Wellness
fundraising	-5	Council
Prior year surpluses	+35	Use 100% of available surpluses
All other non-property tax changes	+11	Net increases and decreases



Major Expense Changes

compared with this year's budget (\$ in thousands)

Estimating and Other Adjustments

Middle/High school tuition	-12	Net change of high/middle schoolers
Other School estimates	+12	Net increases and decreases
Town Office staff	+9	Approved by Select Board June 2021
Auditor, Professional Assist, Legal	+10	FY 23 expenditures +5-10%
School and Town Electric and		
Heat	+15	Based on FY 23 expenditures
Fire Station, Ponces, Water		
Quality Studies	-22	FY 23 only
Approved CIP loan servicing	+8	Actual/projected loans re-estimates
Cumberland County Tax	+14	Incl 5yr phase-in of County FY change
All other non-policy changes	+43	Net increases and decreases



Major Expense Changes

compared with this year's budget (\$ in thousands)

Policy Changes

Town salaries not covered above	+5	4.5% COLA & other adjustments
School salaries	+8	4.5% COLA & other adjustments
Island Fellow	-10	Consecutive terms not allowed
Housing Director/Coordinator	+10	Comprehensive Plan recommendation
Sheriff Contract	+2	Cumberland County contract
Vehicle, equipment, & building maintenance	+9	Based on FY 23 expenditures
Road Maintenance Services	+10	Based on FY 23 expenditures
Roads Repair	+1	\$50k MMBB loan Sept 2023
Fire Radio Upgrade placeholder	+2	\$70k MMBB loan Sept 2023
Ponces Repairs placeholder	+5	\$200k MMBB loan Sept 2023
Minimum balance/contingency	+2	Keeps reserve = 1 month of property
set-aside	+2	tax



School Enrollment Projections

	Actual	Actual	Budget/Projection		<u>on</u>
	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>
Students:					
Pre-K	2	1	0	0	0
Elementary (K-5)					
Long Island	7	6	7	6	5
GDI Tuition	<u>7</u>	<u>7</u>	<u>6</u>	<u>4</u>	<u>3</u>
Elementary Total	14	13	13	10	8
Middle and High (6-12)					
Tuition Total	14	16	14	14	10



Proposed CIP Projects

CIP Category – Maintaining Essential Services

> Roads renovation and repair

50k

(total project = 200k, including 150k loans approved in prior years)

> Fire and Rescue Radio Upgrade

70k

➤ Ponce's Wharf Repairs

up to 200k

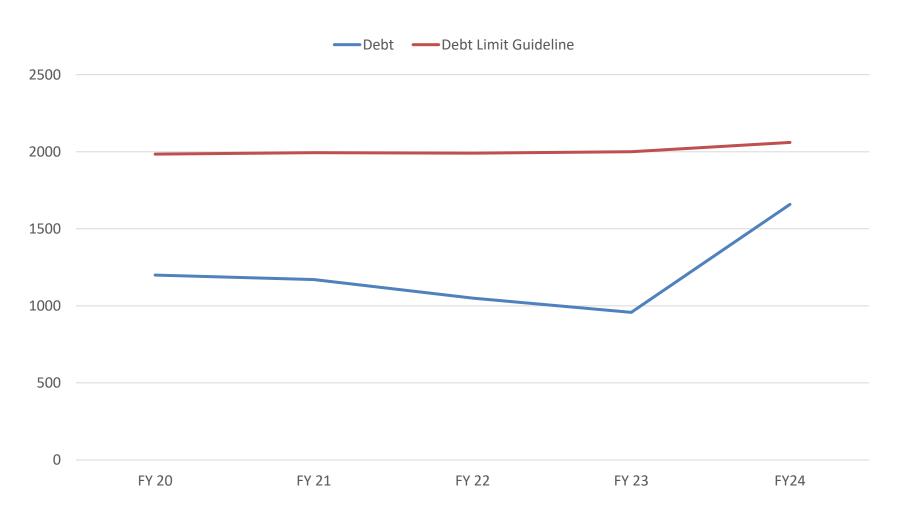


DEBT SERVICE

	FY 23-24	FY 24-25	<u>Loan Ends</u>
Prior year program:			
Community Center	29k	29k	2034
Rescue Boat Overhaul, Cemetery Expansion, Police House, Fire Truck	22k	22k	2035
Roads including Wash-Out	13k	13 k	2036
Elevator, VFW, Mariners I,	23k	23 k	2037
CC finish, School heating system			
Mariners II, Wellness Center	18k	18k	2028
SW truck lease to purchase	12k		2023
VFW Septic, Roads	11 k	11k	2029
Roads, cemetery, transfer station	11k	11 k	2029-30
EMS stretcher	8k	8k	2025
FY 23 Consolidated Mariners, roads, water supply improvement	12k	71 k	2033
FY 24 Roads, fire radio, Ponces repairs	7k	46k	2033
TOTAL	167k	253k	



Total Debt (\$ 000s)



Financial Planning Guideposts: FY 2023-24 Scorecard

Guidepost

1. Maintain strict spending discipline for Government Expenditures — hold budgets as close to flat as possible. Limit annual mil rate increase to a maximum of 2.5%.



2. Limit five year cumulative mil rate increase to a maximum of 7.75%.



3. Commit at least 50%¹ of mil rate related revenue increase to new debt for CIPs.



4. Limit debt level - not to exceed 1.25%² of Assessed Value.



Comment

The proposed FY 23-24 budget would increase net spending by 3.9%.

The five-year cumulative increase is 12.7%.

26% of the mil rate related revenue increase is for debt service.

The proposed ratio of debt to Assessed Value is 1%.

Notes:

- 1. If department budgets require increases, operational spending should not exceed 50% of the revenue generated by the mil rate increase. That is, revenue from tax increases should be devoted primarily to CIPs.
- 2. Maine state law limits the amount of debt a municipality may incur to 15% of the municipality's last full State valuation.

Financial Planning Guideposts: FY 2023-24 Scorecard

if Article 12 is approved

<u>Guidepost</u>

1. Maintain strict spending discipline for Government Expenditures — hold budgets as close to flat as possible. Limit annual mil rate increase to a maximum of 2.5%.



- 2. Limit five year cumulative mil rate increase to a maximum of 7.75%.
- 3. Commit at least 50%¹ of mil rate related revenue increase to new debt for CIPs.
- 4. Limit debt level not to exceed 1.25%² of Assessed Value.



<u>Comment</u>

The proposed FY 23-24 budget would increase net spending by 1.9%.

The five-year cumulative increase is 10.7%.

26% of the mil rate related revenue increase is for debt service.

The proposed ratio of debt to Assessed Value is 1%.

Notes:

- 1. If department budgets require increases, operational spending should not exceed 50% of the revenue generated by the mil rate increase. That is, revenue from tax increases should be devoted primarily to CIPs.
- 2. Maine state law limits the amount of debt a municipality may incur to 15% of the municipality's last full State valuation.