



**Annual Meeting  
FY 20-21 Budget  
June 13, 2020**



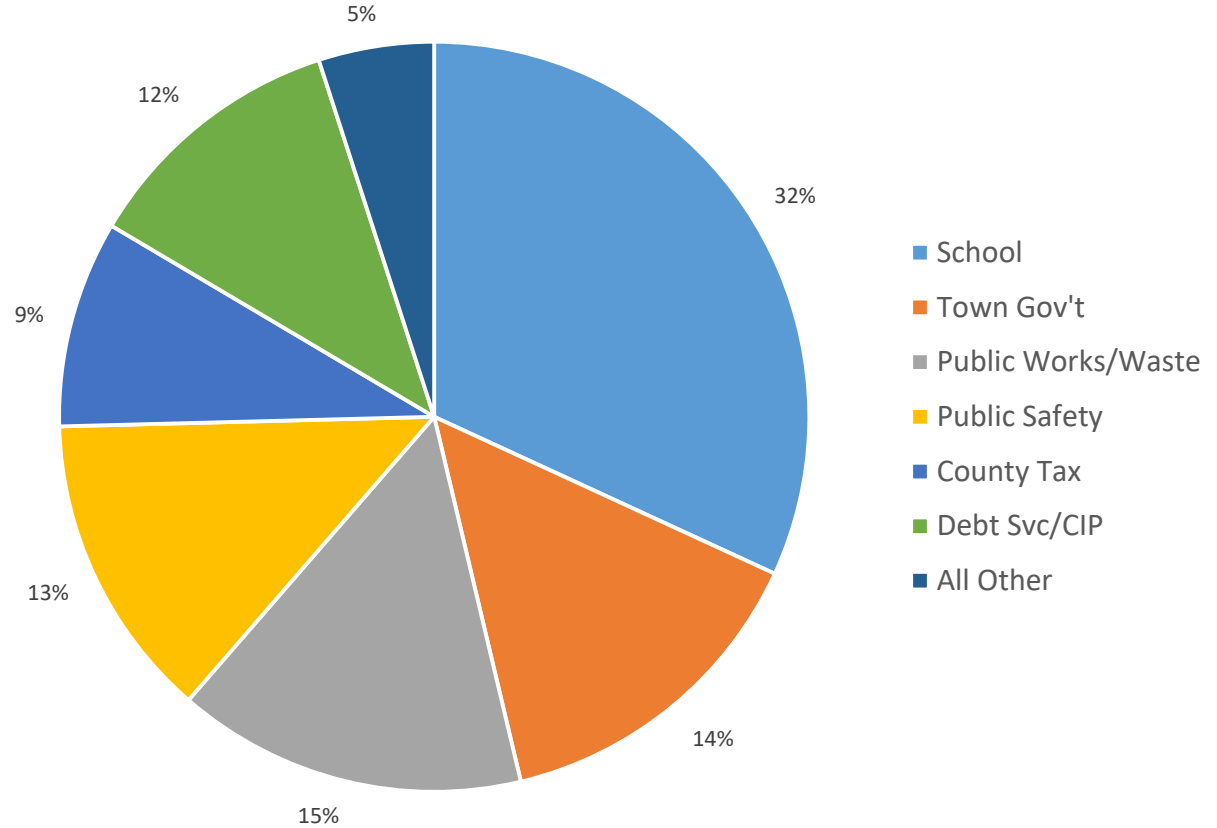
# **DRAFT MILL RATE For FY 20-21**

**7.880**

**No Change  
From Current Year**



# NET EXPENSE



(\$ in '000s)	School	Town Gov't	Public Works/Waste	Public Safety	County Tax	Debt Svc/CIP	All Other	Total
Net Expense	429	194	203	178	120	155	67	1,347



# MAJOR IMPACT

compared with this year's budget

- **Employee compensation up 14k**
  - 2% increase for Town salaries (3% this year)
  - 3.5% increase for School salaries (no increase this year)
  - Teacher step increases (this year as well)
  - Variety of other position-specific adjustments
  
- **Tuition paid to LI for Gt Diamond students up 22k; tuition paid to Portland for middle & high students up 18k**
  
- **Solid waste net expense up 15k** (increased disposal costs)
  
- **Debt service up 11k** (primarily for projects approved last year)
  
- **All other net expenses down 18k**



# **MAJOR IMPACT** continued

- **Use of prior year surplus to offset budget year expenses up 25k**
  - **Availability of prior years surpluses has varied widely in past years:**
    - \$89k - FY 16 surplus applied to FY 18 budget**
    - \$179k - FY 17 surplus applied to FY 19 budget**
    - \$74k - FY 18 surplus applied to FY 20 budget**
    - \$164k - FY 19 surplus available for FY 21 budget**
  - **To smooth out the use of surpluses from year to year, only \$99k (60%) of the FY 19 surplus will be applied to the FY 21 budget. The remaining \$65k will remain available for future years.**



# School Enrollment Projections

	<u>Actual</u> <u>2017-18</u>	<u>Actual</u> <u>2018-19</u>	<u>Actual</u> <u>2019-20</u>	<u>Budget/Projection</u>	
				<u>2020-21</u>	<u>2021-22</u>
<b>Students:</b>					
<b>PreK</b>	<b>1</b>	<b>1</b>	<b>4</b>	<b>2</b>	<b>2</b>
<b>Elementary (K-5)</b>					
Long Island	14	10	7	9	8
GDI Tuition	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>
Elementary Total	17	14	12	15	15
<b>Middle and High (6-12)</b>					
Tuition	11	11	14	14	13
Parochial/Private	<u>2</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>2</u>
Total	13	15	18	18	15



# **Year-over-Year Budget Expenses NET of Revenues**

- **Budgeted use of/addition to prior-year surplus & reserves up 51%**
- **Town Positions/Government/Wellness Center up 4%**
- **Education expenses no change**
- **Public Safety expenses no change**
- **Solid Waste & Public Works expenses up 5%**
- **Debt Service expenses up 7%**
- **All other down 1%**



# CIP Projects

Loan funded:

- Roads Paving & Improvement 50k
- EMS stretcher 40k
- Wharf lights 24k
- High Speed Internet Project (see next slide)

No direct funded projects





# High Speed Broadband Internet Connection Project

- Consolidated Communications would construct, operate and maintain a High Speed Internet Fiber to the Home System on Long Island. The system would serve all residents who want it.
- The Town would issue a bond of up to \$550,000 to finance construction of the system.
- Consolidated Communications would pay the Town each year an amount equal to the annual principal and interest cost of the bond.
- There would be no net cost to the Town of project.



# DEBT SERVICE

	<u>FY 21</u>	<u>FY 22</u>	<u>FY 23</u>
<b><u>Prior year program:</u></b>			
Community Center	29k	29k	29k
Rescue Boat Overhaul, Cemetery Expansion, Police House, Fire Truck	22k	22k	22k
Roads including Wash-Out	13k	13k	13k
Elevator, VFW, Mariners I, CC finish, School heating system	23k	23k	23k
Mariners II, Wellness Center	18k	18k	18k
Solid Waste Truck, Cardiac Monitor	24k	21k	12k
VFW Septic, Wave Break, Roads	14k	14k	14k
Roads, cemetery, transfer station	2k	11k	11k
<b><u>FY 19-20 program:</u></b>			
Roads, stretcher, wharf lights	2k	14k	14k
<b>TOTAL</b>	<b>156k</b>	<b>165k</b>	<b>142k</b>

# Financial Planning Guideposts: 2020/21 Scorecard

## Guidepost

1. Maintain strict spending discipline for Government Expenditures for the next five years—hold all budgets as close to flat as possible.
2. Limit annual mil rate increase to a maximum of 2.5% in any given year with a five year cumulative increase max at 7.75%.
3. Commit 100%<sup>1</sup> of mil rate related revenue increase to new debt for CIPs.
4. Limit debt level - not to exceed 1.25%<sup>2</sup> of Assessed Value (2019/20 0.81%).



## Comment

After a 0.4% decrease last year, spending will increase 2.1% this year via prior year surplus - no mil rate increase.

0.0% increase is below annual guidepost and trailing five-year cumulative increase is 2.42%.

No mil rate increase so guidepost not applicable.

Ratio of Debt to Total Assessed Value remains constant at 0.8%.<sup>3</sup>

### 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.
3. Does not include the Broadband initiative, however guidepost will still be met if approved.