The background features a large, light-colored seal of the Town of Long Island, Maine. The seal is circular and contains a map of the town's islands. The text "TOWN OF LONG ISLAND, ME." is written around the perimeter of the seal. At the bottom, it says "[EST] 1913".

**Budget
Presentation
Town Meeting
May 15, 2021**



MIL RATE

FY 21-22 draft

8.035 +2.0%

FY 20-21 current yr 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

FY 16-17 7.694 no change

FY 15-16 7.694 +7.4%



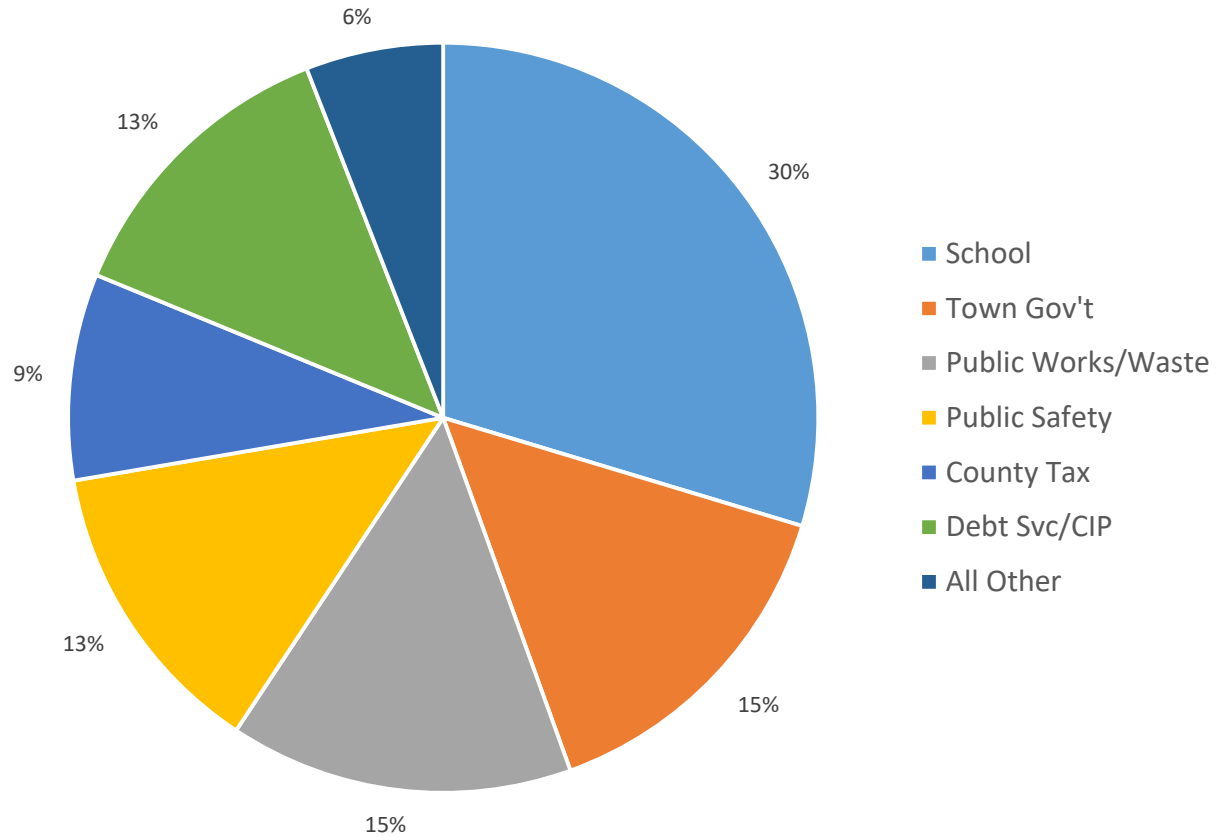
MIL RATE Impact on taxes

The proposed 2% mil rate increase will have this impact on annual property taxes:

\$200,000 property	+ \$16.00
\$300,000 property	+ \$24.00
\$400,000 property	+ \$32.00
\$500,000 property	+ \$40.00



NET EXPENSE





Year-over-Year Budget Expenses NET of Revenues

	<u>FY 21</u>	<u>% change</u>	<u>FY 22</u>
➤ Budgeted use of prior-year surplus & reserves	97k	0%	97k
➤ Town Positions/Government/Wellness Center	192k	+5%	201k
➤ Education expenses	428k	-2%	417k
➤ Public Safety expenses	178k	-2%	174k
➤ Solid Waste & Public Works expenses	203k	+2%	208k
➤ Direct Funded CIP & Debt Service expenses	155k	+13%	175k
➤ Cumberland County Tax	120k	+1%	121k
➤ All other (including Community Center & Insurance)	66k	+11%	73k



MAJOR CHANGES

compared with this year's budget

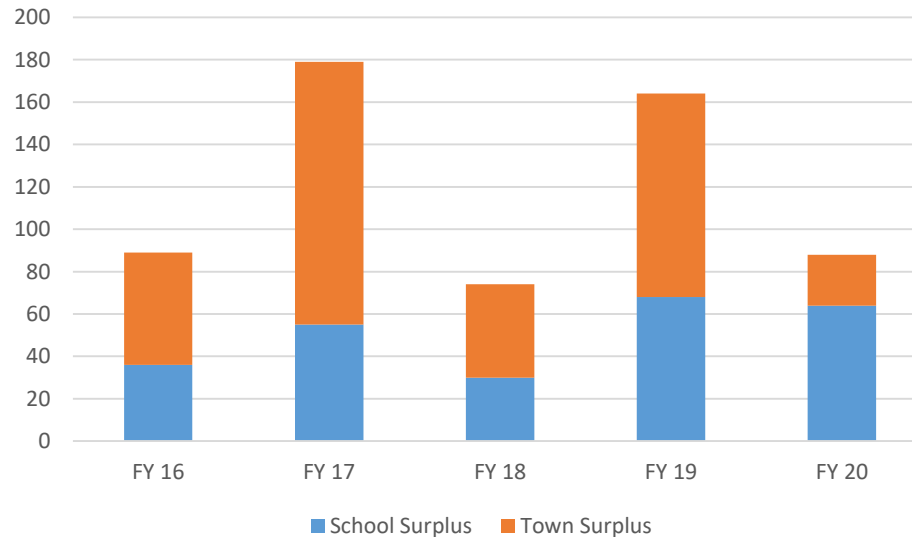
- **Employee compensation up 4k**
 - 2% increase for Town salaries (same as this year)
 - 2.5% increase for School salaries (3.5% this year)
 - Teacher step increases (this year as well)
 - Variety of other position-specific adjustments
- **Tuition paid to LI for Gt Diamond students up 8k; tuition paid to Portland for middle & high students up 5k**
- **Solid waste net expense up 5k**
- **Debt service up 20k** (primarily for projects approved last year)
- **No direct-funded CIP projects**
- **All other net expenses up 8k**



MAJOR CHANGES continued

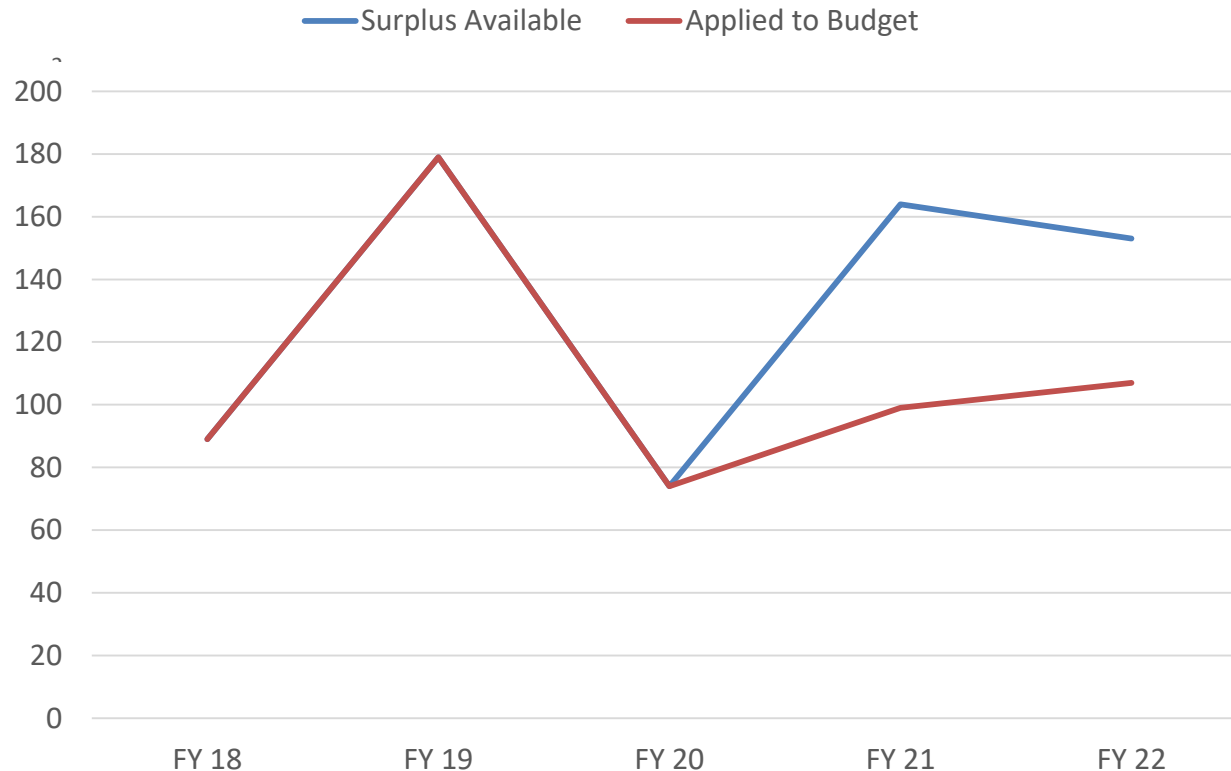
- **Use of prior year surplus to offset budget year expenses: up 8k**

Availability of prior years surpluses has varied widely in past years:





MAJOR CHANGES continued



- **To smooth out the use of surpluses from year to year, only 60% of the available surplus was applied to the current year (FY 21) budget.**
- **For the FY 22 budget only 70% of the available surplus will be used, leaving 46k of School surplus 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>
Students:					
PreK	1	1	4	2	2
Elementary (K-5)					
Long Island	14	10	7	8	7
GDI Tuition	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>
Elementary Total	17	14	12	14	14
Middle and High (6-12)					
Tuition	11	11	14	14	14
Parochial/Private	<u>2</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>2</u>
Total	13	15	18	18	16

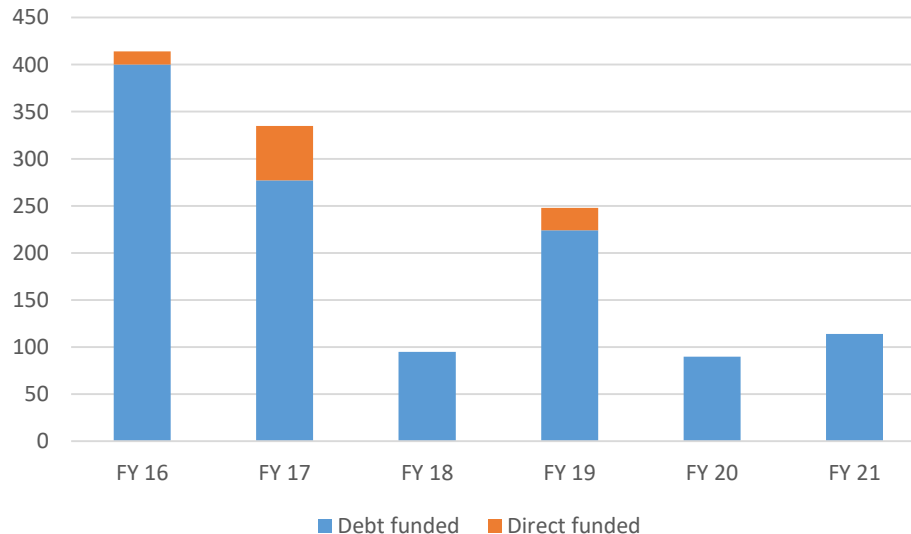


Proposed CIP Projects

CIP Category – Maintaining Essential Services

- **Mariners wave-break repair** 101k
(total project = 404k, including 270k from grants & 33k approved in prior years)
- **Roads Renovation and repair** 50k

CIP Projects Approved in Prior Years (\$ 000s)



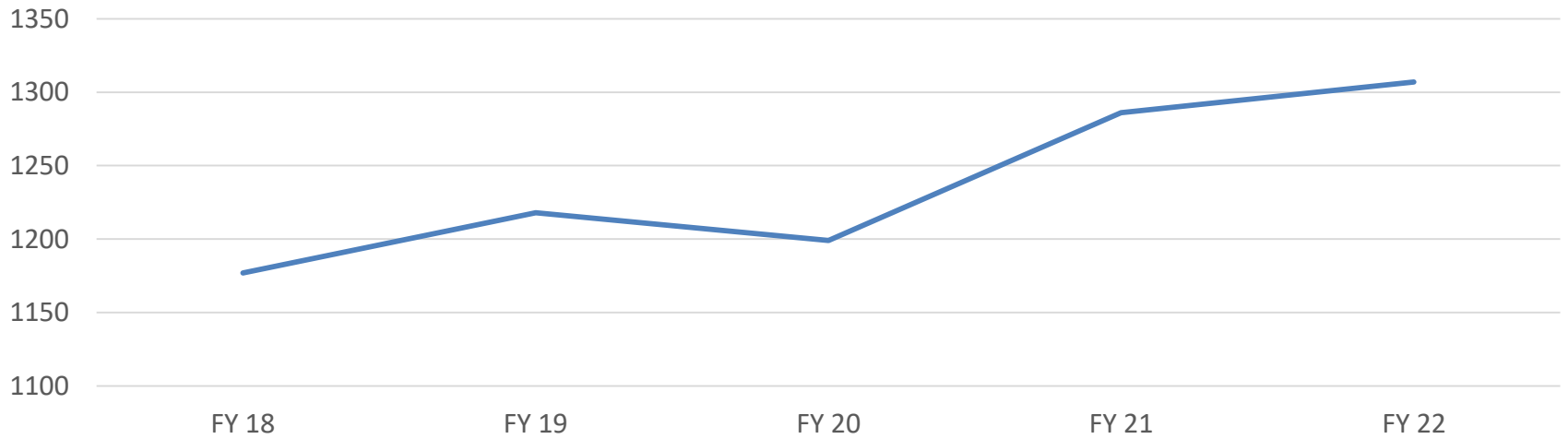


DEBT SERVICE

	<u>FY 22</u>	<u>FY 23</u>	<u>FY 24-25</u>
<u>Prior year program:</u>			
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	21k	12k	0k
VFW Septic, Wave Break, Roads	14k	14k	14k
Roads, cemetery, transfer station	11k	11k	11k
Roads, wharf lights, EMS stretcher	17k	17k	17k
<u>FY 21-22 program:</u>			
Wave-break, roads	7k	18k	18k
TOTAL	175k	177k	165k



Total Debt (\$ 000s)



Financial Planning Guideposts: FY 2021-22 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 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

After a .5% increase this year, the proposed budget would increase net spending by 2.1%.

2.0% increase is below annual guidepost and trailing five-year cumulative increase is 4.4%.

76% of the mil rate related revenue increase is for debt service.

Ratio of Debt to Total Assessed Value remains constant at 0.8%.³

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.