

March 1, 2015

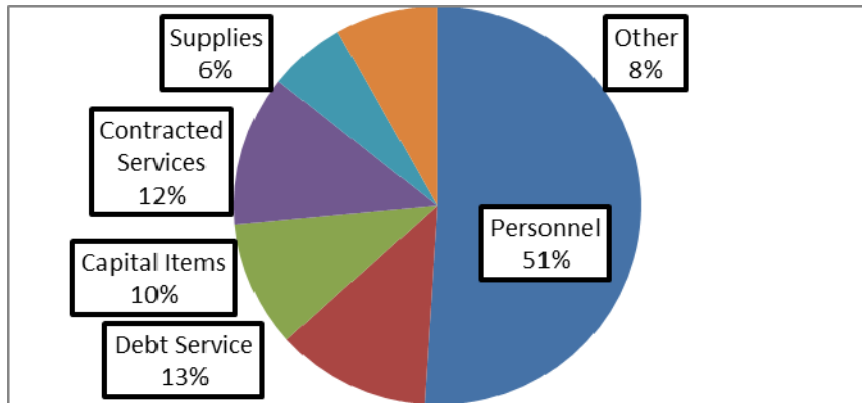
To: Chairman Ray and Members of the Town Council:

Submitted herewith is the recommended municipal budget for Fiscal Year 2016. The budget would add 28 cents to the tax rate or 1.7%.

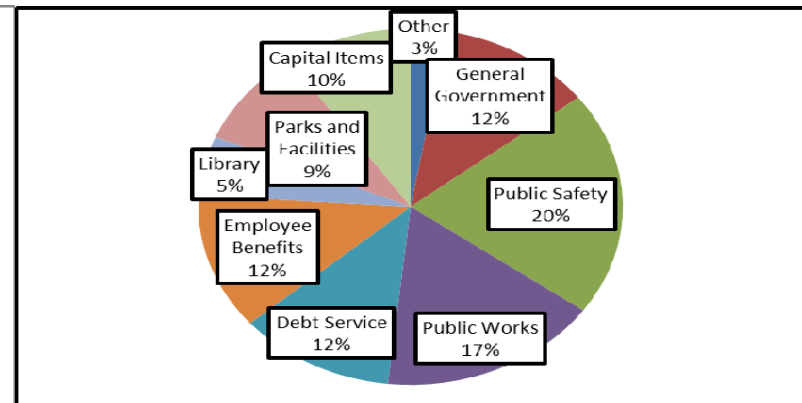
The current total tax rate is \$16.80 per thousand of which \$3.54 is for municipal services, thus looking at the municipal portion of the tax bill alone, the increase in the tax rate for municipal services only (excluding schools) amounts to a 7.8% increase. Half of the increase relates to debt service for the Thomas Memorial Library.

Proposed municipal spending is \$9.8 million.

Spending by Object



Spending by Department



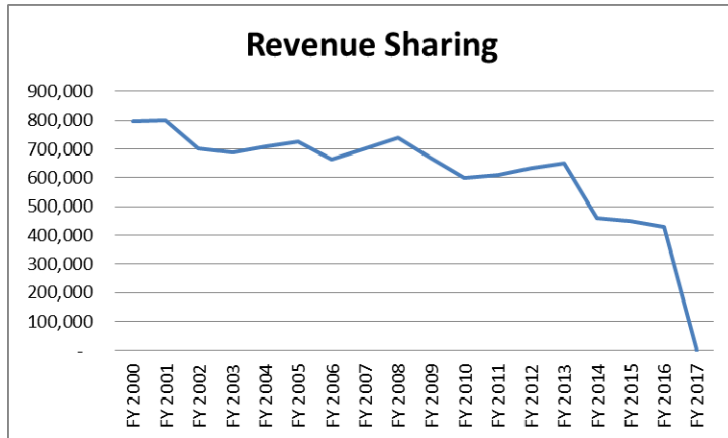
Municipal Tax Rates Since Last Revaluation

\$ 3.39 \$ 3.37 \$ 3.54 \$ 3.54 \$ 3.82

Without the library project, the tax rate in FY 2016 would be proposed to be \$ 3.64 or an increase of 10 cents per thousand or 2.8%.

Revenues

Revenues from sources other than the property tax are projected to have a net increase of almost \$100,000. Residents have been buying newer motor vehicles and thus monthly collections have been improving through the slow exit from the recession. The budget projects \$1.9 million in excise taxes which is \$100,000 more than the budget for the current year. This is offset with a \$29,000 reduction in state revenue sharing and from the MDOT local road assistance program. The Governor's budget recommends \$430,000 in FY 2016 and no revenue sharing in FY 2017.



Recycling center fees, building permit fees, miscellaneous revenues, miscellaneous state revenues and the charge for overhead to special funds are each projected to increase by \$5,000 thus offsetting the FY 2016 decrease in revenue sharing and state road funds.

Revenues from sources other than the property tax provide 35% of the funding of the municipal budget. This percentage has slowly decreased from 50% about 25 years ago as revenue sharing has declined, investment income has virtually disappeared and there has been a strong reluctance to have fee based programs such as pay per bag.

Expenditures

The proposed budget is up \$585,000 or 6.3%

The primary items increasing the budget are as follows;

Library Debt Service	\$ 290,000
Salary/Wage Adjustments	\$ 82,000
Capital Needs	\$ 50,000
Health Insurance	\$ 40,000
Workers Compensation	\$ 30,000
Human Resource Assistant	\$ 25,000
Greenbelt Trails Encroachment	\$ 15,000
Retirement Costs	\$ 15,000
GIS Maintenance	\$ 12,000
Facilities Maintenance	\$ 10,000
Legal Services	\$ 10,000
Social Security	\$ 7,000
Street Lights	\$ 5,000
	\$ 591,000

The library debt service amounts to \$200,000 for principal and \$90,000 for interest.

The salary wage adjustments are 2.5 % for most employees and 1.5% for those in the public works bargaining unit who receive another 1% increase in retirement contributions.

The health insurance increase can be attributed solely to the makeup of our workforce. Library staffing changes have added to coverage and we have had single employees replaced by married employees or single employees have gotten married.

The workers compensation modification increased from .97 to 1.19 thus increasing the cost by 23%

The proposed human resource assistant would be jointly funded with the school department. This is the only new position in the budget.

The retirement cost increase is attributable to a 1% increase in the police contribution mandated by MePERS. There is a 1% increase for public works bargaining unit staff and increased wages for those in the defined contribution plan result in increased costs. We do not yet have our actuarial results from MePERs for our legacy plan.

The GIS maintenance increase is for software for code enforcement and for purchase of a normal high water line layer.

Facilities costs have increased in recent years as many of our 2000 era building improvements now need higher maintenance than they did during their first 15 years after construction.

The greenbelt is in need of increased maintenance and the Conservation Commission has recommended a total of \$25,000 in this budget and in the next budget for Gull Crest, Winnick Woods, the town center trail behind Elizabeth Park and \$4,000 for mitigation of encroachments on the entire greenbelt system.

Location	Description	Recommended
Fire Dept.	Engine 3 Bodywork	\$ 30,000
Fort Fire House	Window replacement	\$ 7,000
Fort Fire House	Brickwork waterproofing/ repointing	\$ 4,500
Police Dept	Cruiser Replacement	\$ 66,000
Police Dept	Computers Replacement	\$ 11,000
Police Dept	Radio Replacement	\$ 20,000
Police Dept	Tactical Bullet Proof Vests	\$ 5,000
Public Works	Exterior lighting upgrades (efficiency)	\$ 12,500
Public Works	Roadway, Paving & Drainage Imp.	\$ 435,000
Public Works	Sidewalk & Ped. Improvements	\$ 25,000
Public Works	Pickup Truck Replacement	\$ 40,000
Public Works	Front End Loader Replacement	\$ 180,000
Public Works	Front End Articulation Overhaul	\$ 15,000
Public Works	Grounds Equipment	\$ 20,000
Public Works	Parks Trailer Replacement	\$ 4,000
Public Works	HS Tennis Court Repairs	\$ 32,000
Public Works	Little League Field Improvements	\$ 16,000
Public Works	Transfer Trailer Replacement	\$ -
Town Center Fire Station	Brickwork Water Proofing	\$ 10,000
Town Hall	Exterior lighting upgrades (efficiency)	\$ 7,000
Town Hall	Exterior Repairs Windows replacement	\$ 25,000
Town Hall	Generator pad relocation	\$ 10,000
Townwide	Computer Upgrades	\$ 25,000
	CIP Total	\$ 1,000,000
	Funded from CIP	\$ 950,000
	Funded from Balances	\$ 50,000
	Funded from Bond	\$ -
		\$ 1,000,000

Capital Needs

Capital needs were originally identified at over \$1.5 million. They have been reduced to \$1.0 million with \$950,000 to be funded in the budget and with \$50,000 to be funded through a year-end appropriation in FY 2015.

The capital improvement plan provides for \$100,000 in additional investment each year from the annual budget. This budget provides for a \$50,000 increase as the impact of the library bond makes the full \$100,000 a stretch.

The fire department request is to repair a rusted body on Engine 3 thus extending the life of the truck.

It is proposed to spend \$11,500 restoring the old fire house at Fort Williams Park. The windows have been boarded up for more than 30 years.

Two police cruisers would be replaced at the police department and computers, radios and tactical vests are all in need of updating.

The town center fire station is in need of water proofing.

The town hall has been undergoing a window replacement program which would be completed in this budget. The generator pad location does not meet code.

The town funds software and hardware normal updates from the \$25,000 annual CIP allocation.

Roadway & Drainage Proposed Improvements – \$435,000

The paving program is based recommendations contained in the Pavement Management Plan, which was completed in July of 2013. We also take into consideration any unforeseen opportunities from PACTS, deferrals from a previous year, potential utility upgrades and the number of mobilizations for the paving contractor. The plan creates a plan for improvements to our collector and local road network. Based on the plan recommendations, the following is proposed for FY 2016:

Old Ocean House Road – Shim & Overlay	\$250,000
Spurwink Avenue (East) – Shim & Overlay (Deferred from FY 2015)	80,000
Local Road Overlay Program	80,000
Misc. Drainage, Paving & Materials	<u>25,000</u>
	\$435,000

Sidewalk & Pedestrian Improvements - \$25,000

This account funds preliminary design and engineering for future projects. The extension of sidewalks in the Town Center has been discussed by the Town Center Planning Committee, so this account could be a funding source for that endeavor. Other items funded by this include pedestrian control devices, such as signage, additional pavement markings and pedestrian bollards. It is proposed that any funds left over at the end of June 2015, be carry forwarded into the next fiscal year.

Pickup Truck Replacement \$40,000

The next unit proposed for replacement is a crew-cab style body, four-wheel drive unit used extensively by our Parks Division.

Front End Loader Replacement \$180,000

Since the engine was rebuilt in our 1990 Caterpillar loader this year, it is now proposed for replacement in FY 2016. It is proposed to replace it with a similar sized machine with a new plow attachment. The next loader (a 1997 Case) in sequence to be replaced is proposed in FY 2018 along with another unit proposed in FY 2025.

Front End Loader Articulation Overhaul - \$15,000

In FY 2015, the center pins and bearings were replaced in our 1997 Case Loader. Unfortunately, the same overhaul needs to be done to our 2003 Case Loader. This is a complicated an expensive procedure that requires the work to be done by a heavy equipment repair facility. The machine pivots in the middle to steer and must be separated in half to perform the repairs.

Transfer Trailer Replacement - ~~\$70,000~~ Request deferred awaiting transfer station study

The trailer proposed to be replaced in FY 2016 was purchased in 2005. Transfer trailers by their very nature are subject to corrosion, flexing and extreme interior abrasion. Surface and sub-surface corrosion is very apparent on both the longitudinal frames and supporting cross-members. The 2005 unit is in roughly the same condition as the unit was replaced in FY 2015. There is corrosion on the frame and it is in danger of not passing the annual State of Maine inspection. Repairs are really not feasible, given the location and extent of the rust.

Parks Equipment Trailer Replacement - \$4,000

This utility trailer is used by the Parks Division to transport mowers and other grounds equipment. It was originally proposed for replacement in FY 2014, but was deferred due to budget constraints and is now proposed for FY 2016.

Grounds Maintenance Equipment \$20,000

A motorized unit specifically designed for grooming the infields of our baseball fields is proposed for FY 2016. Presently, we have to tow a series of three different drags with a tractor to accomplish what we could with just this one machine. It is a more efficient use of our staff time, which faces incredible demands during the baseball season. This machine could also be used on the Little League infields.

High School Tennis Court Repairs & Coatings - \$32,000

The High School tennis courts (6) are programmed for crack repairs and new coatings in FY 2016 and in FY 2021. They were last done in 2010.

Little League Fencing Replacement \$16,000

The Town has occasionally funded fencing replacement projects on the Little League fields. The fields are owned by the Town, yet capital maintenance such as infield repairs and fencing have been shared by both the Town and the Little League over the years. The backstop at Plaisted Park should be replaced, so it is proposed for funding in FY 2016.

Thank you very much to the department heads who prepare their budgets each year and who implement them. I look forward to reviewing this proposed budget with the Town Council Finance Committee.

Respectfully submitted,

