



**GARDINER CITY COUNCIL
AGENDA ITEM INFORMATION SHEET**

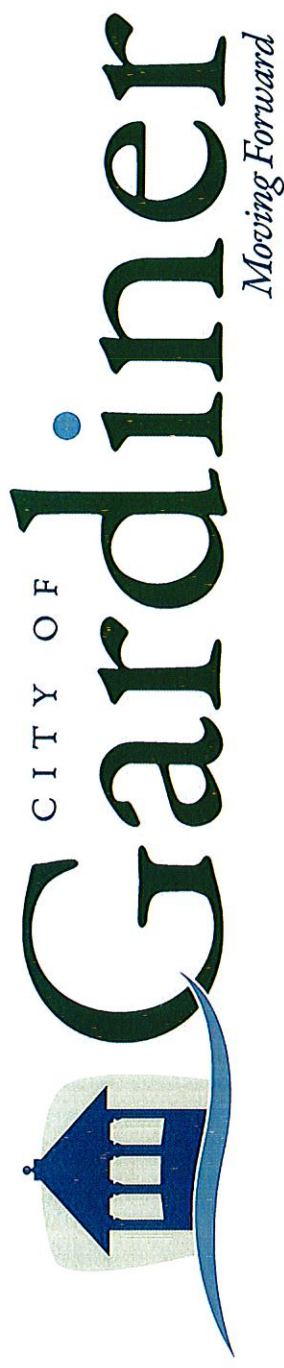


Meeting Date	04/21/2021	Department	City Council
Agenda Item	Overview of the City of Gardiner FY22 Budget		
Est. Cost	n/a		

Background Information	<p>The City Manager will give a general overview of the FY22 Budget Proposal.</p> <p>The City Council will have an opportunity to ask general questions and the public will also have an opportunity to weigh in at the meetings.</p> <p>Below is the timeframe for this year's budget process:</p> <ul style="list-style-type: none"> • 4/21/21: Acting City Manager presents budget to Council • 5/5/21: Council discussion and debate of departmental budgets • 5/12/21: Council discussion and debate of departmental budgets • 5/19/21: Council receives updated budget and set public hearing dates • 6/2/21: Public Hearing and First Read of FY22 Budget • 6/16/21 Public Hearing and Second/Final Read of FY22 Budget
-------------------------------	--

Requested Action	n/a
City Manager and/or Finance Review	n/a
Council Vote/ Action Taken	
Departmental Follow-Up	

City Clerk Use Only	1 st Reading _____	Advertised _____	EFFECTIVE DATE _____
	2 nd Reading _____	Advertised _____ w/in 15 Days	
	Final to Dept _____	Updated Book _____	Online _____



FY22 Proposed Budget

April 21, 2021

Prepared & Presented by:
Anne Davis, Acting City Manager | Denise Brown, Finance Director

π

FY22 Budget Summary

- > Will be considering two types of budgets:
 - General Fund
 - > Education assessment
 - > County assessment
 - > City budget
 - Operating
 - Capital
 - Tax Increment Finance (TIF)
 - Enterprise Funds
 - > Ambulance
 - Bills to patients
 - Service fees to partner communities
 - > Wastewater
 - Bills to Gardiner rate payers
 - Fees from partner communities

Controlled by other elected bodies and, ultimately, voters.
Council has no control over these assessments

Controlled by City Council

FY22 Budget Summary

> General Fund

- The City budget is up by \$272,448 (2.58%)
- This results in a \$0.60 (2.77%) tax rate increase (from \$21.70 to \$22.30)
 - > or \$88.69 for the median home valued at \$146,900
- Education and County budget assessments are unknown at this time

> TIF & Enterprise Funds

- Libby Hill TIF now taking in more revenue than expenses (~\$250K/year) and Downtown TIF remains healthy
- Ambulance Fund assessments to partner communities same as FY21
- Wastewater Fund is up substantially due to project interest and capital reserve – last year of 4 year 4% rate increases

Tax Rate Shares: City, County, Education

Three portions of a municipal budget that drive the tax rate

- Education assessment paid to MSAD 11
- County assessment paid to Kennebec County
- City budget (this is the only one that Gardiner City Council controls)

Percent of Taxes by Category					
Catetory	FY18	FY19	FY20	FY21	Proposed FY22 5 yr Average
City	46.84%	48.78%	46.80%	46.53%	48.86%
School	48.79%	46.65%	48.54%	48.38%	46.26%
County	4.36%	4.57%	4.66%	5.10%	4.88%
Totals	100.00%	100.00%	100.00%	100.00%	100.00%

Share of Budget by Category					
Catetory	FY18	FY19	FY20	FY21	Proposed FY22 5 yr Average
City	58.23%	60.22%	60.05%	60.65%	61.67%
School	38.35%	36.23%	36.45%	35.60%	34.67%
County	3.43%	3.55%	3.50%	3.75%	3.66%
Totals	100.00%	100.00%	100.00%	100.00%	100.00%

Note: The FY22 percentages are skewed, as we do not have the County or School budgets yet.

Category	FY21 Approved	FY22 Proposed	\$ Change	% Change
Wages	\$ 2,462,506	\$ 2,628,279	\$ 165,773	6.7%
Benefits	\$ 1,085,713	\$ 1,109,287	\$ 23,574	2.2%
Travel & Training	\$ 47,645	\$ 38,680	\$ (8,965)	-18.8%
Dues & Subscriptions	\$ 68,662	\$ 60,764	\$ (7,898)	-11.5%
Advertising & Outreach	\$ 18,950	\$ 17,750	\$ (1,200)	-6.3%
Computers & Devices	\$ 88,320	\$ 93,169	\$ 4,849	5.5%
Materials & Supplies	\$ 249,130	\$ 258,980	\$ 9,850	4.0%
Equipment & Maintenance	\$ 122,145	\$ 112,395	\$ (9,750)	-8.0%
Buildings & Maintenance	\$ 470,996	\$ 460,406	\$ (10,590)	-2.2%
Vehicles & Maintenance	\$ 160,250	\$ 149,725	\$ (10,525)	-6.6%
Professional Services	\$ 522,607	\$ 558,660	\$ 36,053	6.9%
Special Projects	\$ -	\$ 180,875	\$ 180,875	
Other	\$ 388,230	\$ 378,884	\$ (9,346)	-2.4%
OPERATING BUDGET SUBTOTAL	\$ 5,685,154	\$ 6,047,854	\$ 362,700	6.4%
CAPITAL/DEBT BUDGET SUBTOTAL	\$ 654,631	\$ 606,351	\$ (48,280)	-7.4%
CITY BUDGET TOTAL	\$ 6,339,785	\$ 6,654,205	\$ 314,420	5.0%
OVERLAY	\$ 50,818	\$ 8,846	\$ (41,972)	-82.6%
MSAD 11/EDUCATION ASSESSMENT	\$ 3,758,064	\$ 3,758,064	\$ -	0.0%
COUNTY ASSESSMENT	\$ 395,413	\$ 395,413	\$ -	0.0%



FY22 General Fund Budget by Category

Department	FY21 Approved	FY22 Proposed	\$ Change	% Change
General Government	\$ 817,225	\$ 863,489	\$ 46,264	5.66%
Technology	\$ 93,550	\$ 128,273	\$ 34,723	37.12%
Police	\$ 1,352,085	\$ 1,405,897	\$ 53,812	3.98%
Fire	\$ 1,161,299	\$ 1,271,956	\$ 110,657	9.53%
Buildings & Grounds	\$ 462,280	\$ 484,059	\$ 21,779	4.71%
Highway	\$ 1,473,523	\$ 1,493,703	\$ 20,180	1.37%
Library	\$ 468,624	\$ 503,456	\$ 34,832	7.43%
Planning & Development	\$ 320,116	\$ 308,956	\$ (11,160)	-3.49%
Community & Social Services	\$ 191,083	\$ 194,416	\$ 3,333	1.74%
CITY BUDGET TOTAL	\$ 6,339,785	\$ 6,654,205	\$ 314,420	4.96%
OVERLAY	\$ 50,818	\$ 8,846	\$ (41,972)	-82.59%
MSAD 11/EDUCATION ASSESSMENT	\$ 3,758,064	\$ 3,758,064	\$ -	0.00%
COUNTY ASSESSMENT	\$ 395,413	\$ 395,413	\$ -	0.00%
GRAND TOTAL BUDGET	\$ 10,544,080	\$ 10,816,528	\$ 272,448	2.58%
PROJECTED REVENUE	\$ (10,544,080)	\$ (10,816,528)	\$ (272,448)	2.58%
Deficit	\$ -	\$ -	\$ -	



FY22 General Fund Budget by Department

FY22 Budget Highlights by Department

General Government (up \$46,264 or +5.66%)

General Government includes several divisions, including City Council/Mayor, City Manager, City Clerk, Finance, Human Resources, and Legal.

Though we are projecting a slight reduction in the workers compensation costs, there is a budgeted amount of \$60K to be set aside each year for five years to fund an assessing reevaluation.

Technology (up \$34,723 or +37.12%)

This department has requests for an upgraded surveillance camera network and new copiers throughout the City.

Police (up \$53,812 or +3.98%)

There are special project requests in this department that include the refurbishment of the departments speed trailer and the purchase of pole mounted speed capturing devices.

Also included in this budget is a five year purchase program for in-car body worn camera devices.

FY22 Budget Highlights by Department

Fire (up \$110,657 or +9.53%)

This department has incorporated overtime costs to implement the Chief's improved service public safety proposal.

At the City Council goal setting in February, Fire Department Staffing was number 4 on the list. To achieve this goal Chief Sieberg proposed staffing a third ambulance for 48 hours on the weekends starting on the Fourth of July and ending on the weekend after Columbus Day. This trial will demonstrate how staffing all three ambulances will benefit the City of Gardiner and all partner communities. Future funding would use the current regional ambulance model. Utilizing current staff provides a low risk path for trialing this idea. The third ambulance will be housed in the Richmond Fire station, allowing the trucks in Gardiner to remain much closer to town, while at the same time providing a much faster response time in Richmond and parts of Litchfield. It should be noted that Gardiner and all of the partner communities rely on each other for fire response. All of the Medics are also firefighters. Increasing the ambulance staffing will ultimately increase fire and ambulance capabilities in every community we serve.

Also included in this budget is phase two of the City Hall Mold Assessment to repair the hose tower and remove the mold.

FY22 Budget Highlights by Department

Public Works: Buildings & Grounds (up \$21,779 or +4.71%)

Though this department has a \$14K reduction in electricity costs, there is one time expense to purchase a flail mower.

Public Works: Highway (up \$20,180 or +1.37%)

Though only up 1.37%, there are a number of increases and decreases throughout this department. Notably is the retirement cash-out for the foreman, changes to the sand and salt lines due to the incorporation of a salt priority program, and added funds for crack sealing in an attempt to maintain the longevity of the roads and sidewalks.

There are special project funds for building upgrades, a trailer, and money to crush material in the City owned pit.

There is a decrease in the principal line because there is \$100K of debt coming off. However, there are several capital requests in the department which include a plow truck, service truck, flatbed truck, communication upgrades, and a paving plan.

FY22 Budget Highlights by Department

Library (up \$34,832 or +7.43%)

Ninety percent of this department's increase is due to the retirement of the Library Director and Assistant Library Director.

Planning & Development (down \$11,160 or -3.49%)

The reduction in this line is due to moving the annual funding of the Cobbossee Corridor project to the TIF fund.

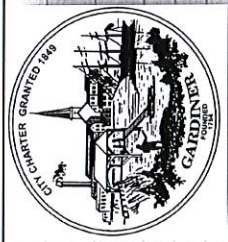
Community & Social Services (up \$3,333 or +1.74%)

This budget includes membership in the Cobbossee Watershed Association, KVCAP transportation services, and our assessment as part owner of the New Mills Dam. It also includes funding for General Assistance and non-profit donations.

Changes in Expenses of \$2,000+/-

On Pages 15 and 16 of the budget message in your budget books is a table that details each change in a departmental budget line that amounts to \$2,000 or more, either as an increase or decrease in spending.

FY22 Capital Budget 5 Year Plan



City of Gardiner FY22 Capital Improvement Plan with 5-Year Outlook

Department	FY21 Approved	FY22 Proposed	FY23 Projected	FY24 Projected	FY25 Projected	FY26 Projected	FY27 Projected
Buildings & Grounds	\$ 61,966.06	\$ 63,000.49	\$ 50,433.09	\$ 61,375.68	\$ 68,175.90	\$ 60,007.03	\$ 58,939.62
Planning & Development	\$ 27,985.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fire	\$ 122,355.36	\$ 118,428.78	\$ 133,997.20	\$ 132,651.85	\$ 146,264.96	\$ 123,855.86	\$ 72,000.00
Police	\$ 4,126.46	\$ 31,288.81	\$ 63,162.35	\$ 63,162.35	\$ 64,162.35	\$ 55,286.00	\$ 53,000.00
Public Works	\$ 438,197.86	\$ 387,633.22	\$ 544,890.27	\$ 534,208.36	\$ 570,316.31	\$ 557,871.36	\$ 371,820.93
Technology	\$ -	\$ 6,000.00	\$ 41,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00
TOTAL GENERAL FUND	\$ 654,630.74	\$ 606,351.30	\$ 833,482.91	\$ 797,398.24	\$ 854,919.52	\$ 803,020.25	\$ 561,760.55
ENTERPRISE FUNDS							
Ambulance	\$ 80,002.19	\$ 78,592.86	\$ 141,637.86	\$ 141,637.86	\$ 141,637.86	\$ 135,657.16	\$ 63,045.00
WasteWater	\$ 407,600.16	\$ 378,401.03	\$ 473,113.13	\$ 476,759.23	\$ 474,055.33	\$ 462,626.64	\$ 453,763.74
TOTAL ENTERPRISE FUNDS	\$ 487,602.35	\$ 456,993.89	\$ 614,750.99	\$ 618,397.09	\$ 615,693.19	\$ 598,283.80	\$ 516,808.74
GRAND TOTAL ALL FUNDS	\$ 1,142,233.09	\$ 1,063,345.19	\$ 1,448,233.90	\$ 1,415,795.33	\$ 1,470,612.71	\$ 1,401,304.05	\$ 1,078,569.29



City of Gardiner FY22 Revenue Summary by Category

Category	FY21 Approved	FY22 Proposed	\$ Change	% Change
Taxes (net of TIF Transfers)	\$ 8,326,773	\$ 8,532,017	\$ 205,244	2.46%
Licenses & Permits	\$ 40,000	\$ 95,000	\$ 55,000	137.50%
Intergovernmental	\$ 1,404,687	\$ 1,528,090	\$ 123,403	8.79%
Charges for Services	\$ 52,200	\$ 45,000	\$ (7,200)	-13.79%
Other	\$ 301,185	\$ 212,685	\$ (88,500)	-29.38%
Transfers	\$ 169,235	\$ 153,736	\$ (15,499)	-9.16%
Use of Fund Balance	\$ 250,000	\$ 250,000	\$ -	0.00%
GRAND TOTAL BUDGET	\$ 10,544,080	\$ 10,816,528	\$ 272,448	2.58%

FUND BALANCE

An item that comes up every year during the budget process is Fund Balance.

“How much fund balance do we have?”

- ❖ At the end of FY20 the total fund balance was at \$2,818,220.
- ❖ There is \$250K being used in the current FY21 budget and some committed amounts that council has approved to use for various items such as the Johnson Hall and Boys & Girls Club pledges.
- ❖ Using another \$250K in FY22 continues to give the City of Gardiner an 18.34% fund balance, which is 1.64% more than the higher audit recommendation.

“How much fund balance should we have?”

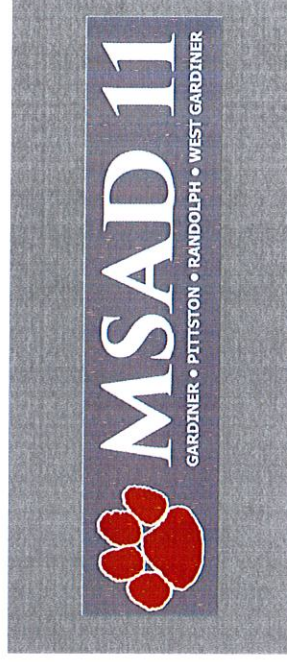
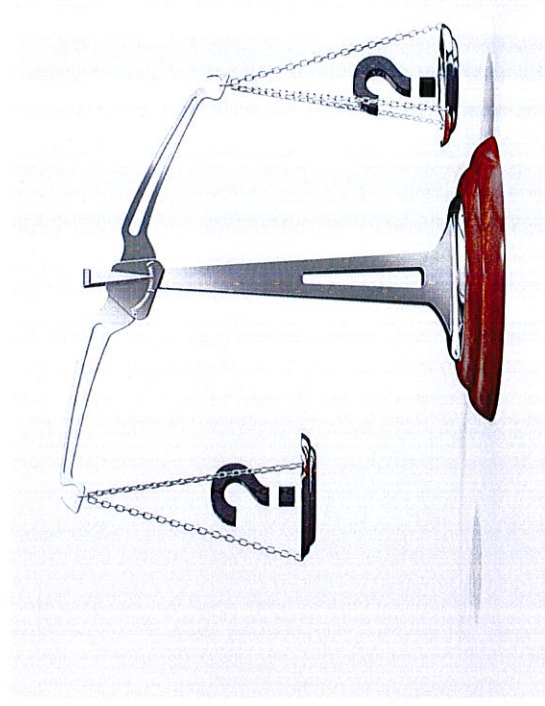
- ❖ Auditors recommend one to two months of expenditures or 8.3% to 16.7% of the budget.

REVENUE

- The added taxable value and the .60 increase in the mil rate accounts for the increase in taxes. With the added fees for the marijuana establishments and all of the building permit fees, the license and permits was increased by \$55K.
- At the writing of this message the State budget had convened to adopt its baseline budget, which included the continued 3.75% Revenue Sharing to municipalities. The members of the Taxation Committee unanimously supported increasing revenue sharing to 5%. We remain hopeful that a supplemental budget will include additional funding for this program. However, this proposed budget includes the 3.75% as a conservative measure.
- Interest rates remain extremely low and the reduction in other revenue is reflective of that, as well as reducing the Sale of Property.
- In an effort to reduce the actual tax increase, we are once again proposing to use \$250K in use of Fund Balance.

CAUTIONS

- Budgets always rely to some extent on assumptions.
- Assumes that our partner communities for ambulance and library services remain.
- This budget relies on a significant amount of one-time revenue of \$350,000.
- Education and County budgets will likely increase



FY22 Tax Increment Finance Districts (TIF)

- For budget purposes we list four TIF Districts: Libby Hill, Downtown, Affordable Housing (Summer Street), and Central Maine Crossing
- Important to remember the benefit we receive from “sheltering” value in TIF districts
- Once a district is created, the value is frozen at that point in time. Any new or incremental value added after this point is sheltered for the life of the district
- State does not consider any of the sheltered values within TIF districts when calculating their overall valuation of our municipality
- This helps us in various funding formulas, including increased revenue sharing and a lessening of the amount we are required to contribute to the school budget (shifting the cost onto partner MSAD 11 communities)

FY22 Tax Incremental Finance Districts (TIF)

π

Libby Hill TIF

- This fund's revenues will exceed expenses for the first time in a decade by the end of FY21 and grow by approximately \$250K/year
- Due to recent lot sales, there is a budget of \$150K for a new directory sign, \$125K for Phase I Cobbossee Corridor Trail, and \$150K for Boys & Girls Club donation in the FY22 proposed budget.

Downtown TIF

- Includes funding for a Downtown Master Plan, Bridge Betterment items, Match for Sidewalk Improvement Phase I, and McKay Park grant match
- Returns \$160K back to General Fund for TIF related expenses
- \$50,000 of which funds Gardiner Main Street & Johnson Hall (\$25K each)

FY22 Tax Increment Finance Districts (TIF)

Affordable Housing (Summer Street)

- This TIF is for the Affordable Housing project that is located on Summer Street. This TIF requires the revenues to provide a 50% refund to the developer and 50% to MSAD #11.
- We will transfer revenues from this TIF to offset the school expense.

Central Maine Crossing

- The district is comprised of a 6 parcel, 23.19 acre commercially zoned subdivision.
- The City intends to use its portion of the captured tax to fund infrastructure development, public safety facilities, as well as quality child care costs.
- Currently one credit enhancement agreement for lot 2, which is occupied by the Maine General.

City operates two Enterprise Funds: Ambulance and WasteWater
Both supported by user fees as opposed to direct tax dollars

FY22 Enterprise Fund Budget Highlights

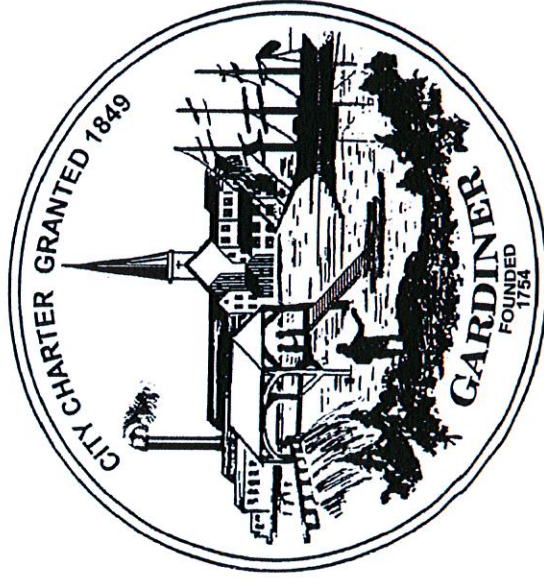
Ambulance

The FY22 budget is only up \$21,577 (1.44%). This increase is comprised mainly of wages and benefits.

Gardiner portion will recognize a 2.2% decrease with a cost of \$71,541. Coupled with the FY22 uncollectable amount of \$42,109, the total cost to the general fund for ambulance services is \$113,651 (-.93%).

Town	Population	Per Capita	Ave 3 Yr Call Vol	% of Incidents	Total Incident	FY22 Base	FY21 Base	Dollar Diff
Gardiner	5,800	\$ 29,262.90	972	35%	\$ 42,278.52	\$ 71,541.42	\$ 73,110.06	\$ (1,568.64)
Chelsea (1/2)	1,361	\$ 6,866.69	140	5%	\$ 6,106.09	\$ 12,972.78	\$ 13,642.55	\$ (669.77)
Farmingdale	2,956	\$ 14,913.99	360	13%	\$ 15,678.59	\$ 30,592.58	\$ 30,315.77	\$ 276.81
Litchfield	3,624	\$ 18,284.27	243	9%	\$ 10,573.26	\$ 28,857.52	\$ 30,285.37	\$ (1,427.85)
Pittston	2,666	\$ 13,450.84	226	8%	\$ 9,833.56	\$ 23,284.41	\$ 23,200.93	\$ 83.48
Randolph	1,772	\$ 8,940.32	205	7%	\$ 8,919.83	\$ 17,860.15	\$ 17,666.19	\$ 193.95
West Gardiner	3,474	\$ 17,527.47	284	10%	\$ 12,357.22	\$ 29,884.69	\$ 29,430.55	\$ 454.14
Richmond	2,293	\$ 11,570.02	346	12%	\$ 15,069.43	\$ 26,639.45	\$ 27,404.59	\$ (765.14)
Totals	23,946	\$ 120,816.50	2,777	100%	\$ 120,816.50	\$ 241,633.00	\$ 245,056.00	\$ (3,423.00)

Caution: the loss of any other partner community would put this service in jeopardy.



BUDGET TIMELINE

- 4/21/21: Acting City Manager presents budget to Council
- 5/5/21: Council discussion and debate of departmental budgets
- 5/12/21: Council discussion and debate of departmental budgets
- 5/19/21: Council receives updated budget and set public hearing dates
- 6/2/21: Public Hearing and First Read of FY22 Budget
- 6/16/21 Public Hearing and Second/Final Read of FY22 Budget