

CITY OF GARDINER, MAINE

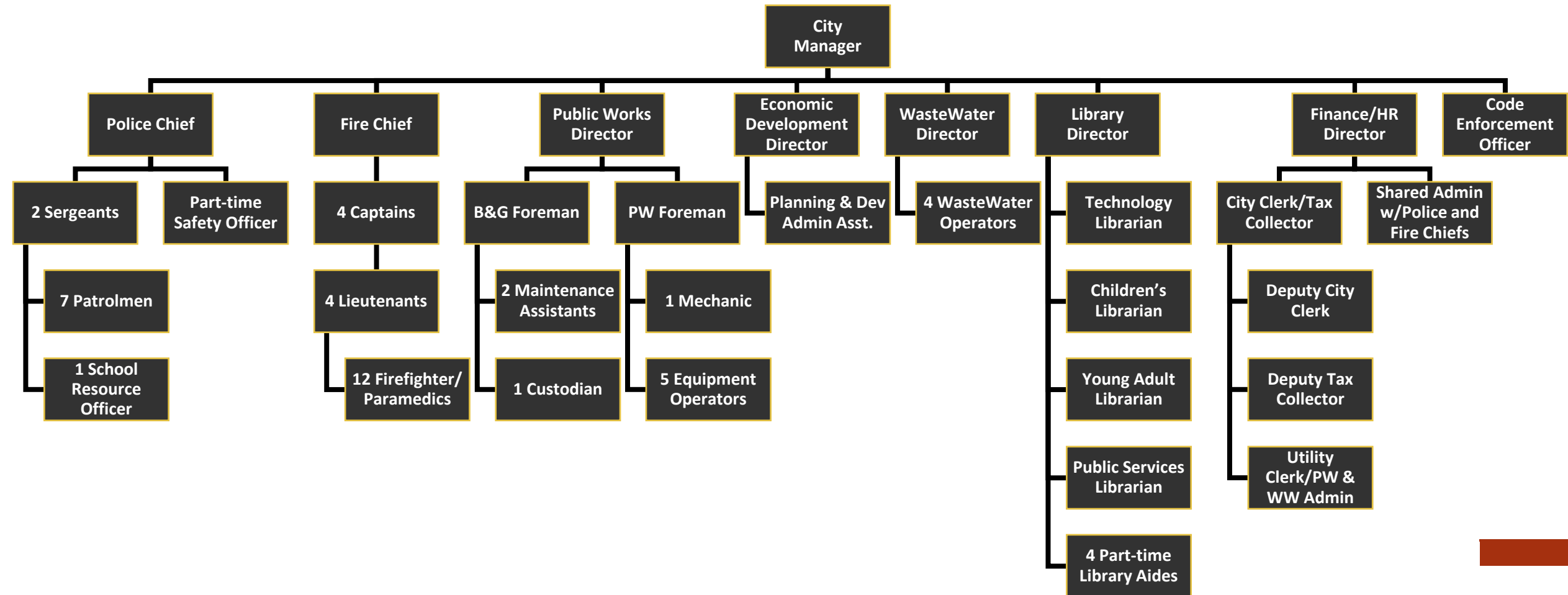
– INCORPORATED 1849 –

FY25 Proposed Budget

Prepared & Presented by:
Andrew Carlton, City Manager
& Department Directors

April 17, 2024

Organization Chart



FY25 Proposed Budgets

General Fund

Up \$491,163 (3.88%)

- This results in a \$0.50 tax rate increase
- up from \$23.70 to \$24.20

TIF Fund

5 TIF Districts

- Libby Hill TIF
- Downtown TIF
- Central Maine Crossing TIF
- Affordable Housing TIF
- Commonwealth TIF

Enterprise Fund

The City operates two Enterprise accounts that are both supported by user fees as opposed to direct tax dollars.

- Gardiner Ambulance
- WasteWater Treatment Plant

The majority of this presentation is based solely on municipal services only and does not include County or Education increases unless otherwise noted.



City of Gardiner FY25 Budget Summary by Category

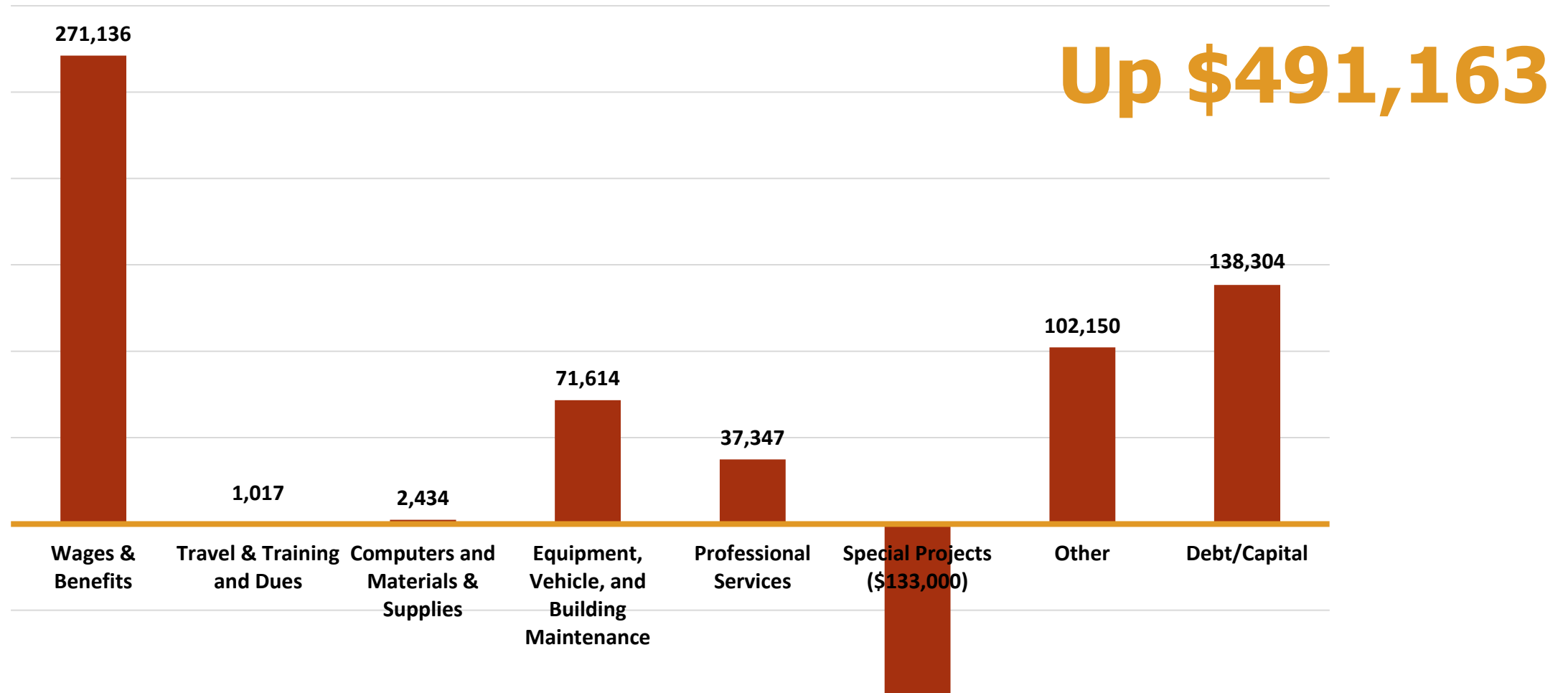
Category	FY24 Approved	FY25 Proposed	\$ Change	% Change
Wages	\$ 3,081,346	\$ 3,332,258	\$ 250,912	8.14%
Benefits	\$ 1,224,568	\$ 1,244,792	\$ 20,224	1.65%
Travel & Training	\$ 56,310	\$ 50,890	\$ (5,420)	-9.63%
Dues & Subscriptions	\$ 64,475	\$ 65,962	\$ 1,487	2.31%
Advertising & Outreach	\$ 13,850	\$ 18,800	\$ 4,950	35.74%
Computers & Devices	\$ 126,582	\$ 144,716	\$ 18,134	14.33%
Materials & Supplies	\$ 271,030	\$ 255,330	\$ (15,700)	-5.79%
Equipment & Maintenance	\$ 139,895	\$ 155,326	\$ 15,431	11.03%
Buildings & Maintenance	\$ 475,206	\$ 523,789	\$ 48,583	10.22%
Vehicles & Maintenance	\$ 182,930	\$ 190,530	\$ 7,600	4.15%
Professional Services	\$ 852,011	\$ 889,358	\$ 37,347	4.38%
Special Projects	\$ 149,000	\$ 16,000	\$ (133,000)	-89.26%
Other	\$ 483,001	\$ 585,151	\$ 102,150	21.15%
OPERATING BUDGET SUBTOTAL	\$ 7,120,204	\$ 7,472,902	\$ 352,698	4.95%
CAPITAL/DEBT BUDGET SUBTOTAL	\$ 468,202	\$ 606,506	\$ 138,304	29.54%
CITY BUDGET TOTAL	\$ 7,588,406	\$ 8,079,408	\$ 491,002	6.47%
OVERLAY	\$ 18,718	\$ 18,879	\$ 161	0.86%
MSAD 11/EDUCATION ASSESSMENT	\$ 4,574,878	\$ 4,574,878	\$ -	0.00%
COUNTY ASSESSMENT	\$ 466,106	\$ 466,106	\$ -	0.00%
GRAND TOTAL BUDGET	\$ 12,648,108	\$ 13,139,271	\$ 491,163	3.88%
PROJECTED REVENUE	\$ (12,648,108)	\$ (13,139,271)	\$ (491,163)	3.88%
Deficit	\$ -	\$ -	\$ -	-

By Category

Highlights

- Wages & Benefits account for 57% of the City's entire budget and makes up 55% of this year's budget increase (\$271K)
- Capital/Debt makes up the second highest increase due to adding the fire truck, plow truck, and sweeper debt payments (\$138K)
- The third highest increase is "Other" which is up due to Gardiner's portion of the Ambulance Service, payoff of old uncollectables, and another large increase for General Assistance (\$102K)

How it's broken down:





City of Gardiner

FY25 Budget Summary by Department

Department	FY24 Approved	FY25 Proposed	\$ Change	% Change
General Government	\$ 1,236,958	\$ 1,141,975	\$ (94,983)	-7.68%
Technology	\$ 144,997	\$ 162,520	\$ 17,523	12.09%
Police	\$ 1,596,871	\$ 1,583,131	\$ (13,740)	-0.86%
Fire	\$ 1,437,074	\$ 1,789,535	\$ 352,461	24.53%
Buildings & Grounds	\$ 502,149	\$ 531,198	\$ 29,049	5.78%
Highway	\$ 1,686,904	\$ 1,822,896	\$ 135,992	8.06%
Library	\$ 563,948	\$ 574,904	\$ 10,956	1.94%
Economic Development	\$ 221,085	\$ 250,804	\$ 29,719	13.44%
Community & Social Services	\$ 198,420	\$ 222,445	\$ 24,025	12.11%
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By Department

Highlights

- The Fire Department is up almost 25% due to the union negotiated wage and benefit increases (\$138K), a large increase in the fire hydrant fees (\$30K), putting the fire truck debt payment back in from being paid by the TIF fund in FY24 (\$91K), and Gardiner's portion of the Ambulance Service increase (\$87K)
- Public Works is up \$136K due to wages, an added \$50K for paving, and the new debt from the FY24 plow truck and sweeper purchases

Though all new requests defer payment until FY26 or FY27, the debt line is up \$138K due to adding the fire truck, plow truck, and sweeper debt payments from previous FY's

FY25 Capital Plan with 5 year outlook

<u>Department</u>	<u>FY24 Approved</u>	<u>FY25 Proposed</u>	<u>FY26 Projected</u>	<u>FY27 Projected</u>	<u>FY28 Projected</u>	<u>FY29 Projected</u>	<u>FY30 Projected</u>
GENERAL FUND							
Police	\$ 26,407.35	\$ 8,876.35	\$ 18,177.00	\$ 78,177.00	\$ 63,177.00	\$ 45,000.00	\$ 45,000.00
Fire	\$ 62,453.60	\$ 153,908.92	\$ 164,425.70	\$ 112,201.44	\$ 112,201.44	\$ 112,201.44	\$ 92,451.44
Buildings & Grounds	\$ 49,365.68	\$ 48,312.90	\$ 39,677.03	\$ 49,234.62	\$ 48,167.21	\$ 47,102.73	\$ 16,625.00
Highway	\$ 322,424.80	\$ 386,696.57	\$ 382,101.00	\$ 255,982.66	\$ 294,762.38	\$ 277,680.87	\$ 284,131.30
TOTAL GENERAL FUND	\$ 460,651.43	\$ 597,794.74	\$ 604,380.73	\$ 495,595.72	\$ 518,308.03	\$ 481,985.04	\$ 438,207.74
ENTERPRISE FUNDS							
Ambulance	\$ 78,593.00	\$ 5,980.67	\$ 28,200.00	\$ 28,200.00	\$ 28,200.00	\$ 28,200.00	\$ -
WasteWater	\$ 485,230.23	\$ 482,526.33	\$ 471,097.64	\$ 588,624.74	\$ 585,920.83	\$ 583,216.95	\$ 580,513.04
TOTAL ENTERPRISE FUNDS	\$ 563,823.23	\$ 488,507.00	\$ 499,297.64	\$ 616,824.74	\$ 614,120.83	\$ 611,416.95	\$ 580,513.04
GRAND TOTAL ALL FUNDS	\$ 1,024,474.66	\$ 1,086,301.74	\$ 1,103,678.37	\$ 1,112,420.46	\$ 1,132,428.86	\$ 1,093,401.99	\$ 1,018,720.78

- ✓ Request to replace cruiser and defer payment until FY26
- ✓ Replace one-ton plow truck and defer payment until FY26
- ✓ Request to order a loader/backhoe to replace loader with first payment due in FY26
- ✓ Order dump truck (2-year buildout) with first payment due in FY27

Changes	Dept	Amount
Add Mandatory Maine Paid Leave	Gen Gov	16,500
Reduce Legal	Gen Gov	(10,000)
Reduce Contingency	Gen Gov	(5,000)
Remove Reval	Gen Gov	(20,000)
Add Technology Costs	Tech	9,885
Single Health vs. Family Plan for new hire	Police	(12,179)
Use Drug Forfeiture \$ towards new Vehicle	Police	(13,000)
Defer payment for new Police Vehicle	Police	(49,500)
Remove proposed new position	PW	(74,894)
Reduce Salt	PW	(20,000)
Reduce Paving	PW	(50,000)
Defer Lincoln Ave Culvert Project	PW	(65,000)
Remove proposed new position	Library	(71,161)
Add Grant Writer	Econ Dev	40,000
Change to Overlay	Overlay	4,774
		(319,575)
Increase TIF Transfer	Revenue	(92,451)

City Manager Changes

- The budget as requested from the Department Heads would have created a \$25.45 mil rate; up \$1.75
- The City Manager cuts brought the mil to \$24.30 or a .60 increase instead of the \$1.75



Mayor Pat Hart
Councilor Terry Berry
Councilor Gay Grant

Budget Committee Changes



Changes	Dept	Amount
Single Health Ins instead of Family	Police	(12,179)
Grant Writer	Econ Dev	(20,000)
Change to Overlay	Overlay	(6,779)
		(38,958)
Added Marijuana Revenue	Revenue	(2,000)

- The City Manager and Finance Director met with the Budget Committee members twice to review the proposed budget.
- The committee asked for an additional cut of .10 bringing the mil rate to \$24.20 or a .50 total increase to the mil rate





City of Gardiner

FY25 Revenue Summary by Category

Category	FY24 Approved	FY25 Proposed	\$ Change	% Change
Taxes (net of TIF Transfers)	\$ 9,428,662	\$ 9,956,083	\$ 527,421	5.59%
Licenses & Permits	\$ 73,000	\$ 65,000	\$ (8,000)	-10.96%
Intergovernmental	\$ 2,194,365	\$ 2,117,543	\$ (76,822)	-3.50%
Charges for Services	\$ 47,500	\$ 51,500	\$ 4,000	8.42%
Other	\$ 255,000	\$ 300,000	\$ 45,000	17.65%
Transfers	\$ 149,581	\$ 149,145	\$ (436)	-0.29%
Use of Fund Balance	\$ 500,000	\$ 500,000	\$ -	0.00%
GRAND TOTAL BUDGET	\$ 12,648,108	\$ 13,139,271	\$ 491,163	3.88%

Revenue

Highlights

- Reflects the added taxes due to .50 mil rate increase
- Net changes in the various Intergovernmental (State and Local) reimbursements, with a noted loss of \$115K in Revenue Sharing
- Other reflects the substantial increase in investment earnings
- Proposed use of \$500,000 in Unassigned 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 FY23 the total unassigned fund balance was at \$3,038,128 or 26.8%.

“How much fund balance should we have?”

Auditors recommend 60 to 90 days of expenditures or 16-24%.

FUND BALANCE

- FY24 has \$500K in use of fund balance and would bring the FB to 20.8% at the end of FY24 if all of it is needed (highly unlikely – too early to tell)
- This budget proposes to use another \$500K to offset a higher mil rate increase, putting the projected fund balance at 16.6%
- Using \$100,000 less would increase the mil by approximately .25 and leave a fund balance of 17.5%
- Conversely, using \$100,000 more would reduce the mil rate by about .25 but put the fund balance at 15.8%



CAUTIONS

The County and School increases (as of 4.12.24) add an additional \$1.60 to the tax rate bringing the City proposed from \$24.20 to \$25.80



FUND BALANCE

This budget relies on a significant amount of one-time revenue of \$500,000



PARTNER COMMUNITIES

Assumes that our partner communities for ambulance and library services remain



KENNEBEC COUNTY

Gardiner's share of the County budget is up \$227,576 or 48.8%, which relates to an additional .60 mil rate increase



MSAD11

As of 4/11/23 Gardiner's share of the school budget was up \$393,458 or 8.6% relating to an added \$1.00 to the mil rate

Calendar Year	CPI % of change	Fiscal Year	\$ Inc	Tax Rate % of Change	Difference
Dec 2023	0.46%	FY24	1.50	6.76%	6.30%
Dec 2022	6.97%	FY23	0.50	2.30%	-4.67%
Dec 2021	3.90%	FY22	0.00	0.00%	-3.90%
Dec 2020	1.31%	FY21	0.00	0.00%	-1.31%
Dec 2019	1.60%	FY20	0.30	1.40%	-0.20%
5 year change	14.24%		2.30	10.46%	-3.78%

CPI

Consumer Price Index - Urban (Northeast) vs. Gardiner Tax Increases

- While CPI increased 14.24% in the last 5 years, the City’s total municipal, county and school budgets increased the tax rate by 10.46% - a difference of 3.78%
- The FY25 Proposed Municipal Budget would increase the tax rate by 2.11%
- Including the County and School increases would add another 6.75% for a total FY25 tax increase this year of 8.86%

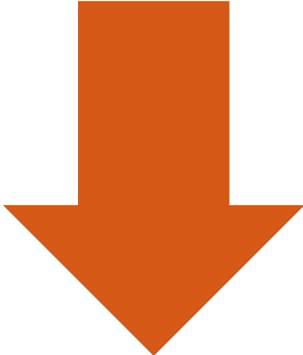
FY25 Tax Increment Finance District (TIF)

The Benefits of TIF Districts...



The School gets more in State Education Subsidy

The City gets more in State Revenue Sharing



The City pays less in County taxes due to less valuation

The Municipality pays a lower share of the School Assessment

Libby Hill TIF		
	Beginning Fund Balance	133,579
Libby Hill Revenue		
	Associated Grocers/Pine State	50,848
	Harper's LLC	57,321
	EJ Prescott	187,659
	Pine State	171,251
	Libby Hill Area Wide	236,007
	Total Revenue	703,087
Libby Hill Expenses		
	Road and Infrastructure Improvements	150,000
	New Libby Hill Business Directory Sign	20,000
	Johnson Hall-Pledge	50,000
	Credit Enhancement Payments	48,031
	Transfer to General Fund	342,452
	Debt Service/Libby Hill Phase II	216,498
	Total Expenses	826,981
	NET BUDGET	(123,895)
	Ending Fund Balance	9,685

FY25 TIF (continued)

Downtown TIF		
	Beginning Fund Balance	98,184
<u>Downtown Revenue</u>		
	Downtown TIF District	272,252
<u>Downtown Expenses</u>		
	Sidewalk Improvement Phase I	30,000
	Dearborn Park Match	75,000
	Waterfront Capital Improvement Future Project	100,000
	Arcade Parking Lot Capital Improvement Future Project	100,000
	Credit Enhancement Payments	11,890
	Total Expenses	316,890
	NET BUDGET	(44,639)
	Ending Fund Balance	53,546

Central Maine Crossing TIF		
	Beginning Fund Balance	133,397
<u>Central Maine Crossing Revenue</u>		
	Central Maine Crossing TIF District	91,017
	Escrow CMC (20%)	(17,618)
	Total Revenue	73,400
<u>Central Maine Crossing Expense</u>		
	CEA-Project Account (40%)	35,235
	Transfer to GF for portion of Ambulance Usage	32,783
	Public Safety Facility Capital Improvement Future Project	50,000
	Total Expenses	118,018
	NET BUDGET	(44,618)
	Ending Fund Balance	88,778

FY25 TIF (continued)

Summer St Affordable Housing TIF		
	Beginning Fund Balance	0
Summer St Affordable Housing Revenue		
	Summer St Affordable Housing TIF District	14,767
Summer St Affordable Housing Expense		
	Credit Enhancement Payment	7,384
	Education	7,384
	Total Expenses	14,767
	NET BUDGET	0
	Ending Fund Balance	0

Commonwealth TIF		
	Beginning Fund Balance	0
Commonwealth Revenue		
	Commonwealth TIF District	61,250
Commonwealth Expense		
	Credit Enhancement Payment	0
	City Hall Capital Improvement Future Project	30,000
	Total Expenses	30,000
	NET BUDGET	31,250
	Ending Fund Balance	31,250

AMBULANCE SERVICE

Formula to bill Members	
Budget	\$ 2,097,614.00
Individual & Insurance Bills	\$ (1,550,000.00)
Net Budget to be covered	\$ 547,614.00
50% Per Capita	\$ 273,807.00
50% Usage	\$ 273,807.00

This budget is up \$212,810 (11.29%)

The major factor for this is due to the negotiated wage and benefit increases, as well as an increase in the Workers' Comp

Town	Population	50% Per Capita	Ave 3 Year Call Vol	% of Incidents	50% Usage	Total Base Fee	FY25 Uncoll.	Grand Total	FY24 Total	Dollar Diff	% Diff
Chelsea (1/2)	1,389	14,774	189	6%	17,141	31,915	8,461	40,376	32,843	7,533	22.9%
Farmingdale	2,995	31,857	370	12%	33,587	65,444	18,783	84,227	79,755	4,472	5.6%
Gardiner	5,961	63,405	1001	33%	90,785	154,190	64,366	218,556	190,479	28,076	14.7%
Litchfield	3,586	38,143	308	10%	27,904	66,047	20,894	86,940	81,381	5,559	6.8%
Pittston	2,875	30,580	236	8%	21,374	51,954	15,720	67,674	57,567	10,107	17.6%
Randolph	1,743	18,540	242	8%	21,918	40,457	15,432	55,890	47,969	7,921	16.5%
Richmond	3,522	37,462	374	12%	33,950	71,412	32,873	104,285	89,115	15,170	17.0%
West Gardiner	3,671	39,047	299	10%	27,148	66,195	23,472	89,667	71,557	18,110	25.3%
Totals	25,742	273,807	3,019	100%	273,807	547,614	200,000	747,614	650,665	96,949	14.9%

**** Approved by Ambulance Advisory Board on April 15 ****

WASTEWATER

This budget is up \$98,721 (5.16%)

A 30% rate increase was implemented in January of 2024 to the minimum sewer rate only.

There is no proposed additional rate increase

Major Budget Drivers

\$76K	Wages & Benefits
\$50K	Flow Monitoring
\$20K	Property & Casualty Insurance
\$14K	Sludge Disposal
\$10K	Chemicals
-\$30K	Capital Reserve
-\$20K	Generator at Partridge Drive PS
-\$20K	Electricity



**** Reviewed by WasteWater Advisory Committee on March 28 ****



BUDGET TIMELINE

5/1 Councilors hear from individual Departments (Gen Gov, Technology, Police, Economic Development, and Community/Social Services)

5/15 Councilors hear from individual Departments (Fire, Ambulance, WasteWater, and TIF)

5/22 Councilors hear from individual Departments (Public Works, Buildings & Grounds, and Library) and start Budget Workshop

5/29 Continued Budget Workshop if needed

6/05 – Public Hearing and First Read of the FY25 Budget

6/12 – Public Hearing and Second/Final Read of the FY25 Budget