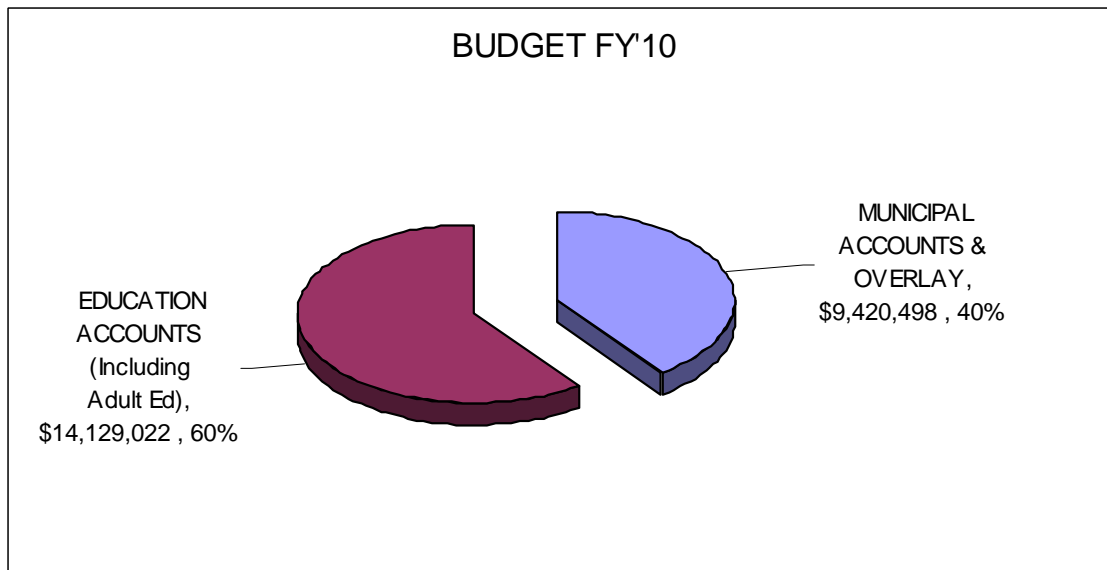


Town of  
*Kittery*  
Maine



Photo of Kittery, ME

# Town of Kittery Brief Budget Overview Version 1



	BUDGET FY'10	BUDGET FY'09	Change	\$ Change
MUNICIPAL ACCOUNTS & OVERLAY	9,420,498	9,745,416	(324,918)	-3.3%
EDUCATION ACCOUNTS (Including Adult Ed)	14,129,022	14,332,119	(203,097)	-1.4%
<b>TOTAL</b>	<b>23,549,520</b>	<b>24,077,535</b>	<b>(528,015)</b>	<b>-2.2%</b>

Total Kittery Budget is \$23.5 million a decrease of 2.2% from the prior year



# Tax Rate Data

Per \$1,000

## ESTIMATED TAX RATE

	FY 10	FY 09
MUNICIPAL	6.25	6.57
SCHOOL	10.47	10.73
COUNTY	0.59	0.57
OVERLAY	0.14	0.15
GROSS	17.45	18.03
REVENUE	(3.40)	(3.99)
<b>NET TOTAL</b>	<b>14.04</b>	<b>14.04</b>

	FY'10	FY'09	Difference	Change
Est. VALUATION	1,349,746,100	1,335,746,100	14,000,000	1.0%



# Tax Rate Impact

<b>08-09 RATE</b>	<b>\$14.04 per \$1,000</b>	
Generally for every \$100,000 BUDGETED the TAX RATE would increase by \$.07		
TAX RATE estimated for 08-09	\$	14.04
HOME VALUE	\$	275,000
TAX IN DOLLARS estimated	\$	3,862
<b><u>If budget increased \$100,000</u></b>		
Tax Rate	\$	14.04
Tax increase	\$	0.07
New Tax Rate	\$	14.11
Home Value	\$	275,000
Tax in Dollars	\$	3,880
Increase in Tax dollars	\$	18.25
<i>Generally: For every \$100,000 budgeted the tax for a \$275,000 home would go up \$18.25</i>		





# What-if the Property Valuation doesn't increase?

## "WHAT-IF" SCENARIOS BASED ON CHANGES IN THE TOWNS PROPERTY VALUATIONS

Estimated Valuation Increase	Projected Tax Rate for FY 10	Comments
<b>14 Million</b>	<b>14.04</b>	<b>Town assumes the current valuation will increase by \$14 million, if this holds true there will be NO CHANGE in tax rate for the projected FY 10 budget</b>
13 Million	14.05	
12 Million	14.06	
11 Million	14.07	
10 Million	14.08	
9 Million	14.09	
NO CHANGE IN VALUATION FROM FY 09 VALUES	14.19	If the valuation does not increase and stays at the current rate, then the projected tax rate impact will be an increase of .15 per \$1,000 (14.19 - 14.04)





## Section for TOWN BUDGET





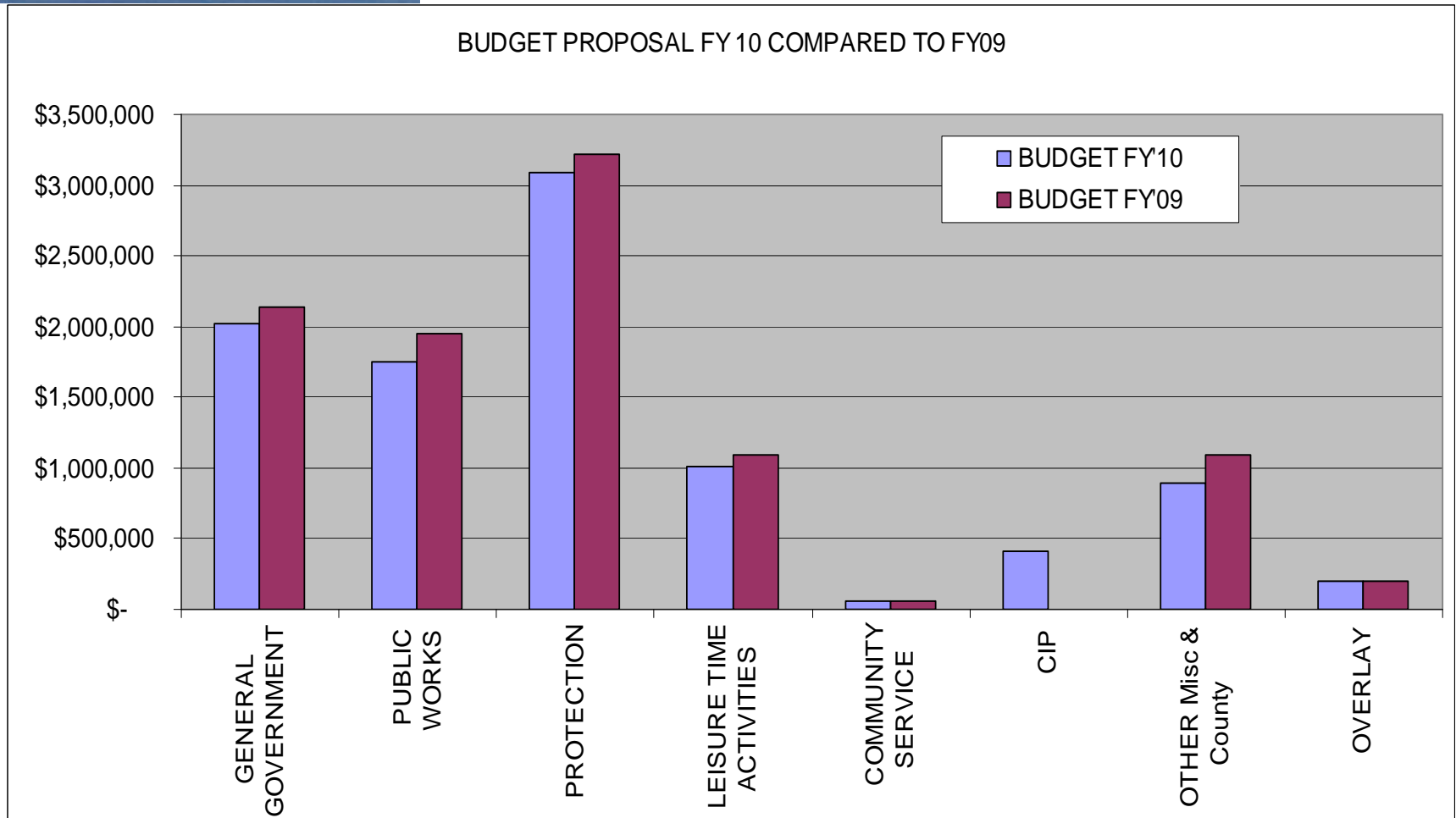
# Breakdown of Budget by Major Category

	BUDGET FY'10	BUDGET FY'09	Change	\$ Change
GENERAL GOVERNMENT	2,024,734	2,140,746	(116,012)	-5.4%
PUBLIC WORKS	1,755,328	1,945,152	(189,824)	-9.8%
PROTECTION	3,087,673	3,219,631	(131,958)	-4.1%
LEISURE TIME ACTIVITIES	1,008,090	1,092,599	(84,509)	-7.7%
COMMUNITY SERVICE	56,298	56,859	(561)	-1.0%
CIP	405,482		405,482	
OTHER Misc & County	891,765	1,086,460	(194,695)	-17.9%
OVERLAY	191,128	203,969	(12,841)	-6.3%
<b>MUNICIPAL ACCOUNTS</b>	<b>9,420,498</b>	<b>9,745,416</b>	<b>(324,918)</b>	<b>-3.3%</b>

Note: CIP is shown for the first time in its own “department”. Previously these requests were included in the applicable departments budget requesting the CIP item.



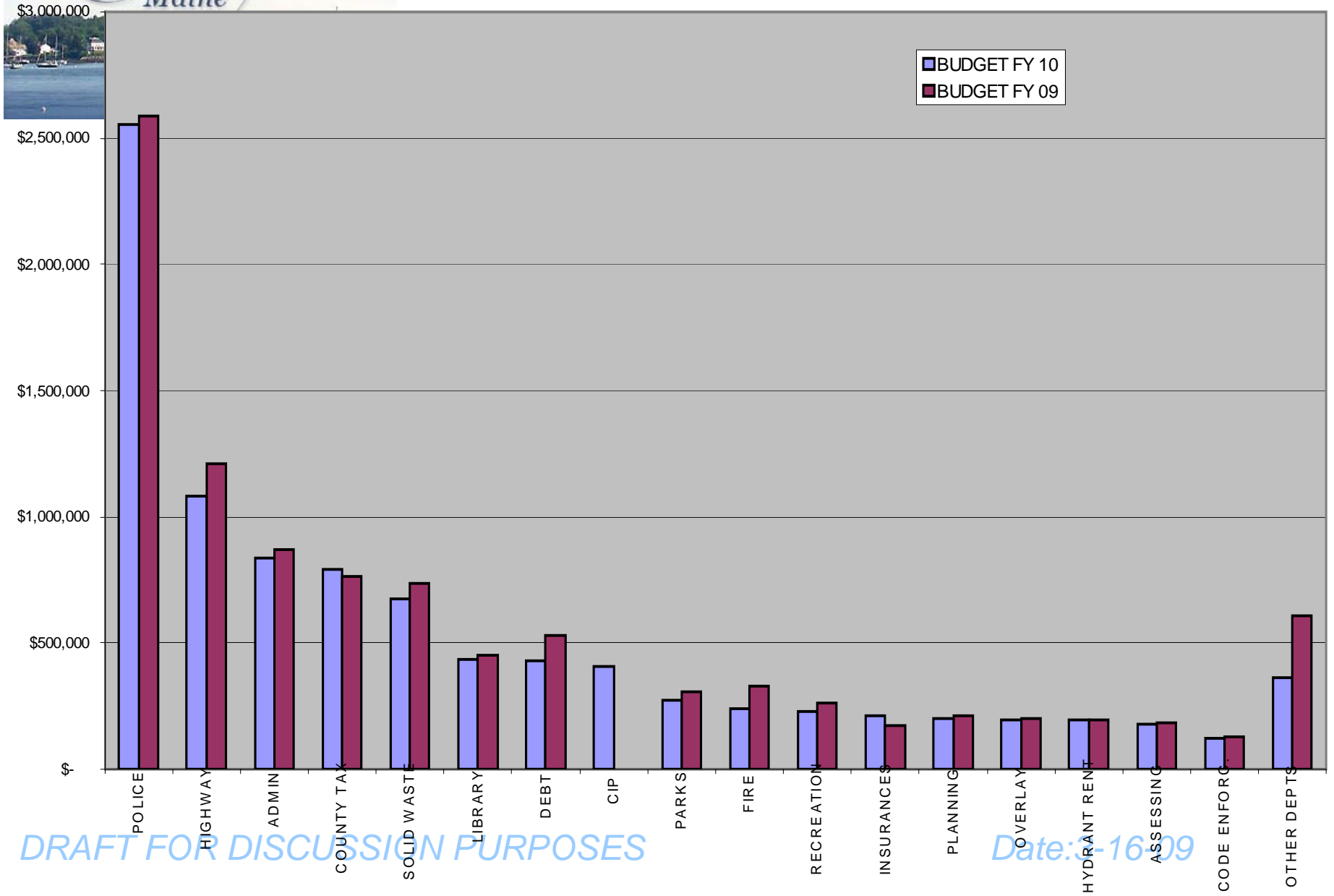
# Breakdown of Budget by Major Category







## TOWN ONLY PROPOSED BUDGETS



DRAFT FOR DISCUSSION PURPOSES

Date: 5-16-09



# CIP Included as part of Operating Budget

ACCOUNT	DEPARTMENT	Cost	Source of Funding	Amount Included in Operating Budget for FY 10
<b>DEPRECIATION ACCOUNTS</b>				
Equipment Funding	PWD - Solid Waste	13,350		
Fleet Funding	PWD - Solid Waste	16,267		
Road Maintenance	PWD - Solid Waste	7,500		
Fleet Funding	PWD - Parks	12,983		
Drainage Improvements	PWD	6,000		
State Aid to Roads	PWD	166,349		
Fleet Funding	PWD	86,216		
Sidewalk Replacement	PWD	2,000		
Apparatus - Fire	Fire	74,000		
Recreation Dep. Acct	Recreation	2,500		
			Operating Budget -	
TOTAL DEPRECIATION ACCOUNTS		387,165	Raised from Taxes	387,165
<b>CIP NON-DEPRECACTION ACCOUNTS</b>				
Document Automation & Codification	Town Clerk	29,000		
Town-wide Telecommunication System Replacement	School	30,433		
Harbor Master Boat Replacement	KPA	20,000		
Electronic Surveillance System - Pepperrell Cove	KPA	5,000		
			5 Year Loan - 1st year payment in FY10 operating budget	
SUBTOTAL OTHER CIP		84,433		18,317
<b>TOTAL IN OPERATING BUDGET CIP</b>				<b>405,482</b>



# CIP – NON OPERATING BUDGET PROJECTS

OTHER CIP PROJECTS			
ACCOUNT	DEPARTMENT	Cost	Source of Funding
Town-Wide Roof Acct	Town & School Buildings	50,000	Transfer from Municipal Facility Capital Reserve, no impact on taxes
Public Works Facility Replacement & Refurbishment	PWD	675,000	10 year Loan (FY10 impact \$81,364) Separate warrant article
Repave Parking Lot & Walkways	School Traip	105,000	Separate Warrant Article
Pier Reserve Account	KPA	40,000	Separate Warrant Article
Open Space Reserve Account	Admin Town	50,000	Separate Warrant Article

*Note: CIP operating and non-operating budget projects have all been recommended by the CIP Committee*



# Cost of Government



Tax Rate: \$14.04  
Home Value: \$275,000  
Estimated Tax: \$3,862

ACTIVITY	Proposed FY' 10 Budget	% OF BUDGET	Cost of Service per \$1,000 valuation	Estimated tax dollars Homeowner with \$275,000 valuation
ADMINISTRATION	834,501	4%	0.50	136.85
ASSESSING	183,857	1%	0.11	30.15
CODE ENFORCEMENT	122,129	1%	0.07	20.03
COUNCIL	10,550	0%	0.01	1.73
DEBT & INTEREST	427,317	2%	0.25	70.07
ELECTIONS	13,204	0%	0.01	2.17
INSURANCES	212,138	1%	0.13	34.79
PLANNING BOARD	16,779	0%	0.01	2.75
PLANNING	204,259	1%	0.12	33.50
HIGHWAY	1,081,693	5%	0.65	177.38
SOLID WASTE	673,635	3%	0.40	110.47
CIVIL EMERGENCY PREP	2,350	0%	0.00	0.39
HYDRANT RENTALS	194,717	1%	0.12	31.93
STREET LIGHTS	96,600	0%	0.06	15.84
FIRE	238,749	1%	0.14	39.15
POLICE	2,555,257	11%	1.52	419.03
LIBRARY	434,400	2%	0.26	71.24
PARKS	272,870	1%	0.16	44.75
PORT AUTHORITY	71,031	0%	0.04	11.65
RECREATION	229,789	1%	0.14	37.68
PUBLIC HEALTH SERVICE	585	0%	0.00	0.10
WELFARE	40,000	0%	0.02	6.56
COMMUNITY AGENCIES	15,713	0%	0.01	2.58
MISC. ACCOUNTS	99,001	0%	0.06	16.23
BANK FEES	180	0%	0.00	0.03
CIP	405,482	2%	0.24	66.49
SCHOOLS	14,074,941	60%	8.39	2,308.11
ADULT ED.	54,081	0%	0.03	8.87
COUNTY TAX	792,584	3%	0.47	129.97
OVERLAY	191,128	1%	0.11	31.34
<b>TOTAL</b>				
<b>APPROPRIATION</b>	<b>\$ 23,549,520</b>	<b>100%</b>	<b>\$ 14.04</b>	<b>\$ 3,861.83</b>

DRAFT FOR DISCUSSION PURPOSES

Date: 3-16-09



# Revenue Current Year FY09 – Projections Compared to Actual as of February 2009

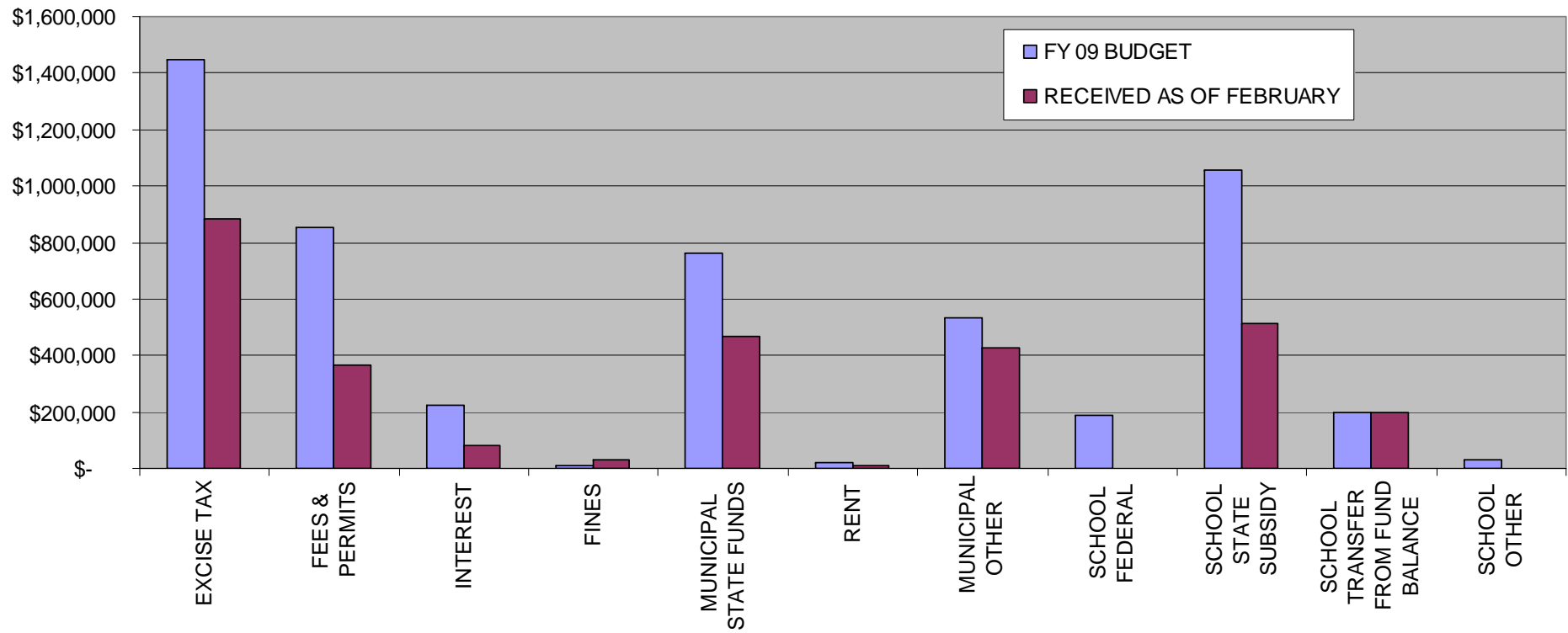
		BUDGET			
		RECEIVED AS OF	EXPECTED AS OF	(SHORTFALL)	%
	FY 09 BUDGET	FEBRUARY	FEB. 67%	EXCESS	(SHORTFALL)
EXCISE TAX	1,446,000.00	881,339.00	964,000.00	(82,661.00)	-5.7%
FEES & PERMITS	851,185.00	367,985.00	567,456.67	(199,471.67)	-23.4%
INTEREST	225,000.00	79,923.00	150,000.00	(70,077.00)	-31.1%
FINES	12,500.00	31,977.00	8,333.33	23,643.67	189.1%
MUNICIPAL STATE FUNDS	762,622.00	466,126.00	508,414.67	(42,288.67)	-5.5%
RENT	18,000.00	9,000.00	12,000.00	(3,000.00)	-16.7%
MUNICIPAL OTHER	532,848.00	428,038.00	355,232.00	72,806.00	13.7%
SCHOOL FEDERAL	190,000.00	-	126,666.67	(126,666.67)	-66.7%
SCHOOL STATE SUBSIDY	1,058,043.00	514,534.78	705,362.00	(190,827.22)	-18.0%
SCHOOL TRANSFER FROM FUND BALANCE	197,462.00	197,462.00	131,641.33	65,820.67	33.3%
SCHOOL OTHER	30,000.00	-	20,000.00	(20,000.00)	-66.7%
<b>TOTAL</b>	<b>5,323,660.00</b>	<b>2,976,384.78</b>	<b>3,549,106.67</b>	<b>(572,721.89)</b>	<b>-10.8%</b>
<i>Total as a %</i>		56.0%	67.0%	-10.8%	

Revenue collections as of February 2009 are down 11% from original estimates



# Revenue Comparison for Current Year FY 09

COMPARISON REVENUE PROJECTED VS RECEIVED AS OF FEBRUARY FOR FY09







# Projected Revenue 09-10

## PROJECTED NON-PROPERTY TAX REVENUES

MUNICIPAL SERVICES	FY'10	FY'09	CHANGE \$\$	CHANGE %
EXCISE TAX	1,156,800	1,446,000	(289,200)	-20.0%
FEES & PERMITS	712,140	851,185	(139,045)	-16.3%
INTEREST	180,000	225,000	(45,000)	-20.0%
FINES	18,200	12,500	5,700	45.6%
STATE FUNDS	616,098	762,622	(146,524)	-19.2%
RENT	14,400	18,000	(3,600)	-20.0%
OTHER	432,848	532,848	(100,000)	-18.8%
<b>TOTAL MUNICIPAL</b>	<b>3,130,486</b>	<b>3,848,155</b>	<b>(717,669)</b>	<b>-18.6%</b>
<b>EDUCATIONAL SERVICES</b>				
FEDERAL	152,000	190,000	(38,000)	-20.0%
STATE	1,131,147	1,058,043	73,104	6.9%
OTHER	181,970	227,462	(45,492)	-20.0%
<b>TOTAL EDUCATION</b>	<b>1,465,117</b>	<b>1,475,505</b>	<b>(10,388)</b>	<b>-0.7%</b>
<b>TOTAL REVENUE</b>	<b>4,595,603</b>	<b>5,323,660</b>	<b>(728,057)</b>	<b>-13.7%</b>



# SCHOOL BUDGET SECTION



*DRAFT FOR DISCUSSION PURPOSES*

*Date:3-16-09*



## School Committee FY10 Budget Calendar

January 14	Wednesday	School Committee Budget Workshop with Administrators <i>6:30 p.m. Town Hall Chambers</i>
January 20	Tuesday	School Committee Meeting - budget discussions with Administrators <i>6:30 p.m. Town Hall Chambers</i>
January 27	Tuesday	School Committee Budget Workshop with Administrators <i>6:30 p.m. Shapleigh Middle School Library</i>
February 3	Tuesday	School Committee Meeting - budget discussions with Administrators <i>6:30 p.m. Town Hall Chambers</i>
February 11	Wednesday	School Committee Budget Workshop with Administrators <i>6:30 p.m. Town Hall Chambers (if needed)</i>
February 25	Wednesday	School Committee Meeting (regular) (moved from February 17) - budget discussions with Administrators <i>6:30 p.m. Town Hall Chambers</i>
March 3	Tuesday	School Committee Meeting - vote on FY10 Budget <i>6:30 p.m. Town Hall Chambers</i>
March 4	Wednesday	School Department FY10 Budget to Town Manager



# STARTING POINT – SCHOOL BUDGET

In January 2009, the School Board began its budget process. The first preliminary projections estimated that the school would need to reduce expenses by \$855,000 in order to keep the Tax Rate FLAT from FY09 rates.

	<u>SCHOOL BUDGET</u> <u>(Excluding Adult Ed)</u>	
BUDGET FY 09	14,276,018	
Original Directive	(506,799)	Reduction of 3.55% needed, assuming revenues will fall short by 20%
<b>Original FY 10 Budget Goal</b>	<b><u>13,769,219</u></b>	
Original Estimated Salary & Benefit Contractual Obligations For FY 10	9,509,619	
Dept Budgets	5,221,728	Estimated at 0% change from FY 09
Known Savings:		
Fuel (Mitchell, Shapleigh, Traip)	(65,000)	\$2.80/gallon to \$2.15/gallon
Debt Sevice	(41,560)	Reductions in debt payments
<b>Adjusted BASE FY 10 Budget</b>	<b><u>14,624,787</u></b>	

**(855,568)**  
Original reductions  
needed to meet Town  
Council Directive



# SCHOOL FINAL PROPOSED BUDGET

	FY 09	Proposed FY 10	CHANGE	% CHANGE
SCHOOL BUDGET EXPENSE (EXCLUDING Adult Ed)	14,276,018	14,074,941	(201,077)	-1.4%

## Q&A:

1. Did the School's budget meet the Town Council goal of a ZERO change in the tax rate? **YES**
2. What is the School Board Final Proposed Budget? **\$14,074,941**
3. How did the School get there? **Through a combination of:**
  - Reductions in school department operating expenses,
  - Savings from closing Frisbee,
  - Additional reduction in positions,
  - Savings in health insurance costs (0% rate increase)
  - Increases to the original revenue projections for the State Subsidy.



# School Budget Summary

	FY 10	FY 09	CHANGE	% CHANGE
REGULAR INSTRUCTION (1)	5,267,248	5,260,528	6,720	0.1%
SPECIAL ED INSTRUCTION (2)	2,556,134	2,398,790	157,344	6.6%
CTE INSTRUCTION (TUITION)	19,000	29,000	(10,000)	-34.5%
OTHER INSTRUCTION	206,266	216,191	(9,925)	-4.6%
STUDENT & STAFF SUPPORT	1,332,244	1,326,360	5,884	0.4%
SYSTEM ADMINISTRATION	665,929	592,929	73,000	12.3%
SCHOOL ADMINISTRATION	802,362	792,887	9,475	1.2%
TRANSPORTATION & BUSES	518,745	519,470	(725)	-0.1%
FACILITIES MAINTENANCE	2,073,141	2,179,344	(106,203)	-4.9%
DEBT SERVICE (3)	801,478	828,863	(27,385)	-3.3%
OTHER EXP (4)	(167,606)	131,656	(299,262)	-227.3%
<b>TOTAL SCHOOL BUDGET</b>	<b>14,074,941</b>	<b>14,276,018</b>	<b>(201,077)</b>	<b>-1.4%</b>
Plus Adult Education	54,081	56,101	(2,020)	-3.6%
<b>School PLUS Adult Education</b>	<b>14,129,022</b>	<b>14,332,119</b>	<b>(203,097)</b>	<b>-1.4%</b>

- (1) Does not include any savings from proposed position reductions  
 (2) Increase is a combination of changes in tuition (\$41,000), bus monitor (\$19,500), staff changes (\$47,000) and other (\$49,844). See additional information in SPED table below

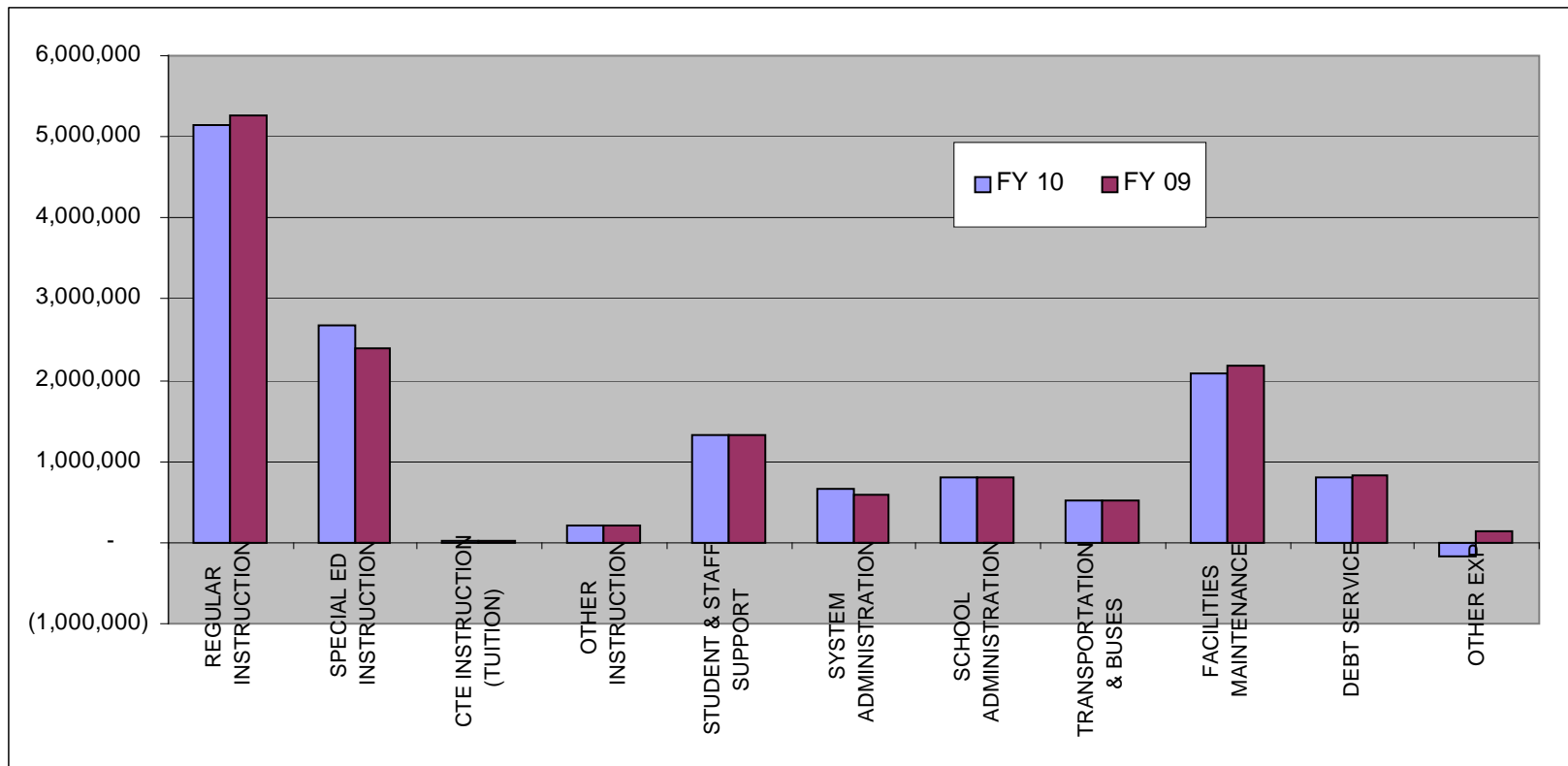
	ORIG. BUDGET FY 09	TRANSFER FROM SPED RESERVE	TOTAL REVISED SPED FY09	FY 10 BUDGET	INCREASE
<b>SPED</b>	2,398,790	135,000	2,533,790	2,556,134	22,344

- (3) Debt service in this category only includes debt that the state reimburses for (ie Traip bond). Remaining debt payments are included under Facilities Maint.  
 (4) This is a combination of increases for contractual salary obligations offset by savings in position reductions. These items have not yet been allocated to the instruction categories





# School Budget Summary





# Enrollment and Ratios

**K-8 STUDENT ENROLLMENT and PUPIL/TEACHER RATIOS (January 30, 2009)**

SCHOOL YEAR 2008-09				SCHOOL YEAR 2009-10							
Current				"Straight Line" Projection				Planning Decisions Projection			
Grade	# Teachers	Enrollment	Pupil/Tch Ratio	Grade	# Teachers	Enrollment	Pupil/Tch Ratio	Grade	# Teachers	Enrollment	Pupil/Tch Ratio
				(K)	(5)	(97)	(19/1)	(K)	(5)	(97)	(19/1)
K	6	90	15/1	K	6	97	16/1	K	6	97	16/1
1	6	85	14/1	1	5	90	18/1	1	5	87	17/1
2	4	67	17/1	2	5	85	17/1	2	5	82	16/1
3	4	77	19/1	3	3	67	22/1	3	3	67	22/1
4	4	74	19/1	4	4	77	19/1	4	4	76	19/1
5	4	65	16/1	5	4	74	19/1	5	4	72	18/1
				(6)	(3)	(65)	(22/1)	(6)	(3)	(68)	(23/1)
6	4	76	19/1	6	4	65	16/1	6	4	68	17/1
7	4	78	20/1	7	4	76	19/1	7	4	79	20/1
8	4	61	15/1	8	4	78	20/1	8	4	75	19/1
<b>TOTAL</b>	<b>40</b>	<b>673</b>	<b>17/1</b>	<b>TOTAL</b>	<b>39</b>	<b>709</b>	<b>18/1</b>	<b>TOTAL</b>	<b>39</b>	<b>703</b>	<b>18/1</b>



# FRISBEE

## FRISBEE ESTIMATED SAVINGS

	<u>FY 2010</u>
SALARY AND BENEFITS	(215,297)
FACILITIES AND UTILITIES	(70,966)
<b>TOTAL ESTIMATED SAVINGS</b>	<b>(286,263)</b>

*ORIGINAL SAVINGS ESTIMATED* 300,000  
*DIFFERENCE RESULTED IN CHANGES IN STAFF*

Note: If Frisbee remained open in FY 10, a minimum of \$286,263 would need to be restored AND additional cuts totaling this amount would need to be identified in order to keep the tax rate flat.

In addition, a significant amount of facilities maintenance and repairs would need to be budgeted. The savings listed above do NOT include what it would cost if Frisbee remained open.



# POSITION SUMMARY

## POSITION REDUCTIONS (PROPOSED)

	<u>Amt Rounded / Estimated</u>
PRINCIPAL - FRISBEE	(38,000)
CUSTODIAN - FRISBEE	(37,000)
HEALTH AID - FRISBEE	(38,000)
1/2 CUSTODIAN - FRISBEE	(20,000)
RTI MATH - FRISBEE	(40,000)
RTI LITERACY	(18,000)
SPED ED TECH II (VACANT)	(21,000)
GRADE 3 (RETIREMENT)	(70,000)

<b>TOTAL SAVINGS FROM POSITIONS (SALARY &amp; BENEFITS)</b>	<b>(282,000)</b>
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These positions were also on the proposed reduction list, in addition to the ones listed above. However, these positions have been added back to the budget.

## POSITIONS RESTORED

BOOK/SEC - FRISBEE	48,000
MUSIC TRAIP	63,000
SCIENCE TRAIP	47,000
SPED ED TECH II	25,000
GRADE 6	52,000
GRADE K	46,000
CUSTODIAN (1/2 TIME)	20,000

<b>TOTAL POSITIONS ADDED-BACK</b>	<b>301,000</b>
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# STATE SUBSIDY

## STATE SUBSIDY HISTORY

YEAR	AMOUNT	CHANGE FROM PRIOR YEAR	% CHANGE FROM PRIOR YEAR
FY 2006-2007	947,862		
FY 2007-2008	864,034	(83,828)	-8.8% <i>anomaly year</i>
FY 2008-2009	1,025,887	161,853	18.7%
<b>FY 2009-2010 (PROJECTED)</b>	<b>1,100,000</b>	<b>74,113</b>	<b>7.2%</b>

### NOTES:

ORIGINAL BUDGET PROJECTION FACTORED BY TOWN, ASSUMED A 20% DROP IN ALL REVENUE CATEGORIES.

A 20% REDUCTION BROUGHT THE STATE SUBSIDY TO ABOUT \$820,000

DURING THE SCHOOL BOARD BUDGET PROCESS, THE BOARD INCREASED THE REVENUE PROJECTION TO \$1,100,000 (UP FROM \$820,000). This assumes a relative small increase from the FY 08-09 amount



# FUND BALANCE

## FUND BALANCE CALCULATION

FUND BALANCE AS OF 6-30-08 PER AUDIT	628,115
LESS: AMOUNT DEDICATED FOR SPED	(99,909)
LESS: AMOUNT DEDICATED FOR MAINT.	(99,909)
LESS: AMOUNT SET ASIDE FOR 08-09 BUDGET	(197,462)
<b>FUND BALANCE AVAILABLE</b>	<b>230,835</b>

LESS: AMOUNT SET ASIDE FOR 09-10 BUDGET	(158,000)
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<b>ADJUSTED FUND BALANCE</b>	<b>72,835</b>
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The budget proposed for FY10, allocates \$158,000 of the fund balance to help offset additional cuts to maintain a flat tax rate. This will bring the unrestricted fund balance to an extremely low level of \$72,835.





# IN CLOSING... RECAP

	BUDGET FY'10	BUDGET FY'09	Change	\$ Change
MUNICIPAL ACCOUNTS & OVERLAY	9,420,498	9,745,416	(324,918)	-3.3%
EDUCATION ACCOUNTS (Including Adult Ed)	14,129,022	14,332,119	(203,097)	-1.4%
<b>TOTAL</b>	<b>23,549,520</b>	<b>24,077,535</b>	<b>(528,015)</b>	<b>-2.2%</b>

## SUMMARY BUDGET

	FY 10
MUNICIPAL	8,436,786
SCHOOL (PLUS ADULT ED)	14,129,022
COUNTY	792,584
OVERLAY	191,128
GROSS	23,549,520
REVENUE	(4,595,603)
<b>NET TOTAL</b>	<b>18,953,917</b>



## ESTIMATED TAX RATE

	FY 10	
MUNICIPAL	6.25	
SCHOOL	10.47	
COUNTY	0.59	
OVERLAY	0.14	
GROSS	17.45	
REVENUE	(3.40)	
<b>NET TOTAL</b>	<b>14.04</b>	<b>NO CHANGE FROM FY09</b>