

**TOWN OF KITTERY, MAINE**



**TOWN BUDGET  
FISCAL YEAR 2019**

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**GENERAL AND ENTERPRISE FUNDS**

**JULY 1, 2018 TO JUNE 30, 2019**

**TOWN COUNCIL**

Kenneth Lemont, Chair  
Charles Denault, Vice-Chair  
Gary Beers  
Matthew Brock  
Frank L. Dennett  
Jeffrey Pelletier  
Jeffrey Thomson

**Town Manager**

Kendra Amaral

**Finance Director**

Patricia Moore

**SUBMITTED MAY 14, 2018**

200 Rogers Road  
Kittery, ME 03094

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## TOWN MANAGER'S BUDGET MESSAGE

It is my honor to submit the Fiscal Year 2019 (FY19) operating and enterprise funds budgets for the Town of Kittery, for the period of July 1, 2018 to June 30, 2019. This budget, though divided by department or function, represents the collective organization's spending plan for the delivery of core municipal services. It was developed with the support and assistance of our knowledgeable and talented department heads, who infused their expertise and enthusiasm for the town in each step of the process.

The annual budget serves as the town's spending plan for the delivery of core municipal services. It is a plan that seeks to balance annual goals, budgetary goals, and funding limitations, all for the purpose of fulfilling the expectations of the voters, residents, and businesses of Kittery.

The prior fiscal year's spending plan was focused on "recalibration". The FY19 spending plan takes that effort another step forward. In the prior year, we focused on developing expense projections that better aligned with the department needs. In the FY19 budget, the department budgets and specific lines within them are reassigned and regrouped to provide a clearer picture of the needs and trends driving the spending plan. A few minor staffing changes are included, some of which correspond to changes made during the prior fiscal year (Fiscal Year 18, FY18).

Kittery's financial position is strong and poised to get stronger. The town's bond rating remains at AA+ (Standard & Poor's rating). The unassigned fund balance grew to \$5,217,892 or approximately 2.5% in the past year. This growth represents stronger than anticipated revenues and controlled spending by municipal departments. The town currently holds 2.4 months of its budgeted expenditures (municipal and school combined) in reserves. The town's policy is to have 2.5 months in reserves.

The Town of Kittery has historically been an economically diverse community. The town is home to both multi-generational families and newcomers. It has generally been a place where families can live, work, and enjoy the bounty of experiences in southern York County from birth through retirement. This legacy of inclusive economic diversity has weighed prominently on the planning for the FY19 budget, most directly in the management of the town's tax rate. The Town Council established as a primary budget goal the maintenance of a stable tax rate. The FY19 budget reflects the municipal and school leadership efforts to achieve this goal.

The town is on the verge of a growth phase. The steady strength of the economy has more people looking to invest in, to expand, and to improve their property. Kittery's proximity to Portsmouth, Portland, and Boston along with the growing attraction that waterfront communities have, is driving an increase in demand for residential and non-residential development in Kittery. If properly guided and managed, this trend should lead to an increase in valuation for the town. Increased valuation creates downward pressure on the tax rate;

benefiting all property owners. The FY19 budget reflects the recent changes the town has made in its Planning and Development department to support beneficial growth and ensure the development opportunities are maximized to the town's advantage.

A strong economy signals more than just the opportunity for growth in valuation. It also ushers in higher municipal costs. The State of Maine is experiencing low unemployment, 3.0% as of December 2017, making it a "job seekers" market. Attracting and retaining talented employees is a growing challenge. The prices for contracts and vendor-provided services are increasing as vendors are turning away work due to high demand. Though a strong economy is good overall, the upward pressure on costs cannot be avoided in developing the municipal budget.

The challenge for Kittery is to deliver the municipal and educational services the community expects and desires in the most cost-effective manner. We cannot stabilize or lower our tax rate through cost control or cost cutting measures without eliminating services. The town is operating in a fairly lean manner. Our focus needs to be on long-term planning and strong well-managed growth.

Therefore, consistent with the prior year's message, the town must invest in the resources needed to encourage appropriate growth in non-residential sectors while ensuring there are enough affordable housing options to retain our economic diversity. This will require consistency in leadership and vision, investment in planning, and a willingness to stretch outside of Kittery's comfort zone in its approach to community and economic development.

The FY19 budget reflects the complex and at times contrasting pressures to meet the town's needs, foster beneficial growth, and control costs. The spending plan directly supports both the long-term vision for the town and the annual goals articulated by the Town Council.

The Town Council adopted its FY19 budget goals on January 23, 2018. The goals are:

*The Town Manager, School Committee, and various Departments should develop their budgets such that the funding requests adequately provide for the delivery of the core functions of the town and school; and that initiatives are considered and proposed that advance the effectiveness of town and school operations, improve service delivery, and/or improve operational efficiency.*

*The Town Manager and School Committee should produce a structurally balanced budget that funds necessary expenditures with recurring revenues; maintains adequate unassigned fund balances; uses non-recurring revenue judiciously and for non-recurring expenditures; and incorporates a sensible investment in the town's assets, all with the intent of promoting long-term financial sustainability.*

*The Town Manager and School Committee should produce a budget that seeks to maintain a stable tax rate, and that is adequately justifiable in comparison to appropriate economic indicators and comparable communities.*

In addition, the Town Manager has annual goals that are factored into the development of the budget and considered in the review of requests and needs articulated by each department.

The 2018 annual goals include:

- Enhance the Town's economic development activities and work with local and regional organizations to attract, support, and sustain appropriate local economic investment.
- Produce a 2019 budget that seeks to maintain a stable tax rate, and that is adequately justifiable in comparison to appropriate economic indicators and comparable communities.
- Develop options to resolve the current Sewer Enterprise Fund challenges and implement as guided by Council.
- Resolve the matter of the Library becoming a Town department, resolve the Taylor Building disposition, and advance the Library renovation and expansion project efforts.
- Prioritize employee safety and reduction of workers compensation costs, take steps to begin reducing the town's current experience modification factor of 1.23.
- Continue to improve town generated communications and ensure they are concise, accurate, and accessible for a variety of audiences.

The FY19 budget has been developed to support the achievement of these goals. Specifically, the FY19 budget includes:

- Funding for the new Director of Planning and Development position, and revised Town Planner position. These roles were developed as part of a reorganization and are designed to enhance the planning functions of the town and support economic growth and appropriate local investment.
- Presentation of a complete Sewer Enterprise Fund budget that incorporates the full debt service principal and annual capital needs. The budget also removes costs from the fund that should be covered by the municipal budget and adds costs from the municipal budget that should be charged to the enterprise fund.
- Capital funding for the initial design of a Library expansion and renovation project consistent with the voters' will, expressed through the non-binding referendum in November 2017.
- Capital funding for equipment replacement for Public Works, Fire, Police, Recreation and Sewer that supports workplace safety.
- Funding for salary adjustments to support employee retention through reclassifications and salary realignment.
- Funding for annual license and support costs for the town's new online permitting program. The program allows customers to access permitting services, apply and pay for permits online, and track progress of the review and inspection process.

A significant change to the FY19 budget is consolidation of employee benefit-related expenditures into one shared budget, Shared Expenses. The town's benefit expenditures represent more than 20% of the total annual operating budget are the second largest category of spending. These costs are non-discretionary, meaning for each employee the town has it must pay employment taxes, provide workers compensation coverage, offer health insurance, and provide retirement benefits. Dividing these costs across multiple budgets masks the

impact they have on the overall budget and suggests that each department could adjust its spending on these items exclusively.

## **BUDGET SUMMARY**

The proposed FY19 budget, inclusive of municipal, school, and capital spending has a total increase in expenditures of \$1,374,716, an approximate 4.5% increase over the prior fiscal year. For comparison, the FY18 budget represented a \$1,425,176 increase, or approximately 4.9%.

The majority of this increase is raised through the tax levy, which is projected to increase \$830,775 in total. The prior year's tax levy increase, after adjusting for the additional state funds received by the school after the budget was passed, was \$778,291.

There are a number of contributing factors:

- \$554,221 increase in school spending. When factoring in offsetting school revenue, the total tax appropriation request increased \$479,113.
- \$193,978 increase in capital spending. This includes a continuation of planning for actual replacement costs with inflation factors for equipment, a \$200,000 increase in Right of Way funding to continue implementation of the town's five-year pavement management program, and \$100,000 in funding for the initial design of the Library expansion and renovation. The entirety of the increase will be offset by one-time funds derived from the excess balance in the Channel 22 PEG fund.
- \$626,517 increase in municipal spending, or approximately 5.18 %, for operations (exclusive of capital). The majority of the increase is offset by non-tax-levy revenue. The total tax appropriation request increases \$258,895 or approximately 2.88%.

I wish to thank our Finance Director Patricia Moore, our department heads, and our Administrative Assistant Suzanne Esposito for their invaluable assistance in developing this budget proposal.

Sincerely,

Kendra Amaral  
Town Manager

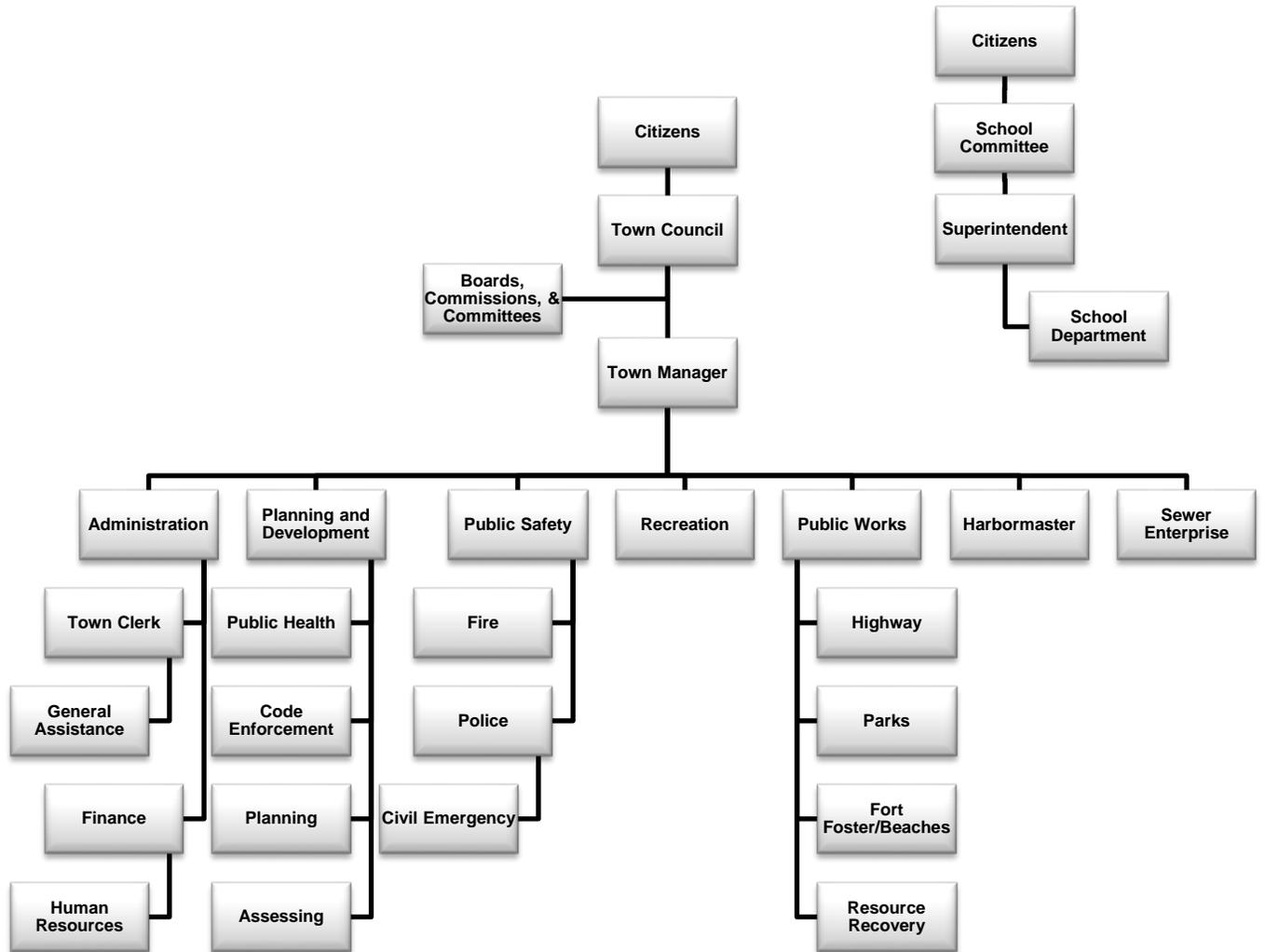
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# Section I Overview



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# TOWN ORGANIZATION CHART



## **BUDGET CALENDAR**

The annual budget document is a numerical reflection of the Town of Kittery's values, priorities and goals. It serves as a policy document and is used throughout the year as a guide to decision-making and implementation of these priorities and goals. The budget preparation and approval represents a critical process that involves many months of coordination, consideration and compromise as all involved work together to best allocate financial resources, while being mindful and respectful of the tax burden on Kittery Citizens.

### **BUDGET CALENDAR**

#### **NOVEMBER**

Capital Investment requests due to Town Manager

#### **DECEMBER**

Capital Investment requests reviewed by the Capital Investment Committee

#### **JANUARY**

Operating Budget forms provided to Department Heads  
Town Manager and Superintendent meet to discuss overall financial picture

#### **FEBRUARY**

Municipal revenue estimates, salary projections and budget requests due to the Town Manager  
Capital Improvement Plan updated and presented to Town Council

#### **MARCH**

Town Manager and Department Heads meet to discuss budget requests  
School Committee Votes on School Budget and provides to Town Manager

#### **APRIL**

Town Manager finalizes proposed budget  
School Committee votes on School Budget Ordinances and provides to Town Clerk

#### **MAY**

Public Hearing and Town Council vote on School Budget Articles  
Town Manager presents Municipal Budget to Town Council and Council schedules Municipal Budget Hearing  
Council holds workshops with Municipal Department Heads (if necessary)

#### **JUNE**

Town Council holds Public Hearing and votes on Municipal Budget  
Public Hearing – Town Meeting Articles  
Town Election

## COMMUNITY PROFILE

Founded in 1647, Kittery is Maine's oldest incorporated town. Located at the mouth of the Piscataqua River, Kittery's land area is approximately 23.2 square miles, with over 19 miles of waterfront, and 80.4 road miles.

According to the 2016 U.S. Census projection, Kittery has a population of 9,614, making it the 22nd most populated municipality in Maine<sup>1</sup>. Kittery is located within York County, which is the second most populated county in Maine. Kittery's daytime population nearly doubles due to local employers and seasonal tourism.

Kittery residents live in 5,059 housing units, which are approximately 65% owner occupied. The median household income is estimated at \$68,247. Approximately 2.4% of Kittery's residents have incomes below the poverty level.<sup>1</sup>

Kittery is directly adjacent to Portsmouth New Hampshire, which has a population of over 21,000 people and a median income estimated at \$69,664<sup>1</sup>. The city is accessible from Kittery by three bridges over the Piscataqua River.

Kittery's full-time residential population is most similar to Wells, Kennebunk, and Old Orchard Beach in York County. Kittery's municipal budget, exclusive of school spending, is consistent with comparably sized communities.

### Comparisons of Population, State Valuation<sup>2</sup>, Municipal Budget<sup>3</sup> and 2018 Tax Rate<sup>4</sup>

	2016 Population	2018 State Valuation	2018 Municipal Budget	2018 Tax Rate
Wells	10,184	\$ 3,165,600,000	\$12,783,198	\$ 10.16
Kennebunk	11,320	\$ 2,380,350,000	\$12,843,385	\$ 16.55
Old Orchard Beach	8,809	\$ 1,669,300,000	\$15,775,767	\$ 15.70
Kittery	9,614	\$ 1,617,600,000	\$12,078,034	\$ 16.50

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<sup>1</sup>Population and demographic information from U.S. Census Bureau, 2016 ACS Five-Year Population Estimate

<sup>2</sup>Source: Maine.gov Revenue Services

<sup>3</sup>Source: Town Budget Documents

<sup>4</sup>Source: Town websites

The town has a working waterfront, significant open space and parkland, and multiple vibrant commercial hubs including its Foreside district and the outlet malls which attract tourists from across the country and around the world.

Within the boundaries of the town exists the only land-based access to the Portsmouth Naval Shipyard. The Shipyard is federal land and is used in the maintenance and support of the Navy's fleet of Virginia- and California-class submarines. The Shipyard employs over 7,000 civilian and non-civilian personnel and has planned growth for the foreseeable future.

Other large employers in the area include the Kittery Trading Post, and the York Hospital Walk-In Care Center. The town's wharves support commercial fishing and lobstering, along with recreational water uses.

Kittery is experiencing a surge in economic and residential interest. Its amenities and features, its proximity to Portsmouth, and it being home to one of the largest employers in the region create higher demand for access to Kittery. Parcels that have long been undeveloped or underdeveloped are actively being considered for investment and buildout. The residential housing stock is low, driving up the median list price for Kittery homes.

Managed correctly, this period of economic interest and growth can be harnessed to support the town's long-term goals. The town has been actively engaging its residents and businesses in the process of developing a vision for the town's growth; and is making appropriate investment in economic and community development, and public infrastructure to ensure the surge in growth is responsible and beneficial for Kittery.

# BUDGET OVERVIEW

## FY2019 BALANCED BUDGET

Revenue	FY16 Actual	FY17 Actual	FY18 Approved	FY19 Proposed	Difference
<b>Taxes</b>					
Property Tax Revenue (Net of Abatements)	22,518,416	22,948,977	23,728,727	24,541,734	813,007
PILOTs	14,722	-	-	7,000	7,000
	<b>22,533,138</b>	<b>22,948,977</b>	<b>23,728,727</b>	<b>24,548,734</b>	<b>820,007</b>
<b>Revenue Generating Operations</b>					
Recreation Fees	835,748	932,263	874,355	982,000	107,645
Solid Waste Fees & Fines	175,490	177,189	188,000	180,000	(8,000)
Fort Foster	195,526	198,952	183,000	195,000	12,000
Harbormaster Fees & Fines	136,002	133,351	121,450	135,140	13,690
Dispatch	80,000	90,000	91,350	93,360	2,010
	<b>1,422,765</b>	<b>1,531,754</b>	<b>1,458,155</b>	<b>1,585,500</b>	<b>127,345</b>
<b>Local Receipts</b>					
Excise (Auto/Boat)	1,778,463	1,862,676	1,727,500	1,777,500	50,000
Code Enforcement Fees	243,714	280,816	203,000	280,000	77,000
Lien Fees & Penalty Interest	50,812	46,265	65,000	50,000	(15,000)
Town Clerk & Registration Fees	53,000	51,513	49,000	49,000	0
Police Department Fees, Fines and Permits	30,578	38,259	37,010	37,700	690
Police Department Reimbursements	33,353	40,606	33,000	5,000	(28,000)
Planning and Land Use Fees	22,424	21,284	18,400	20,400	2,000
Animal Control	9,650	6,733	6,500	6,500	0
Other Local Receipts	10,220	11,548	10,583	10,358	(225)
	<b>2,232,213</b>	<b>2,359,700</b>	<b>2,149,993</b>	<b>2,236,458</b>	<b>86,465</b>
<b>State Provided</b>					
State Revenue Sharing	414,234	403,294	397,652	414,000	16,348
Homestead Reimbursement	130,624	170,311	170,000	180,000	10,000
General Assistance	39,297	30,705	45,000	45,000	0
MDOT Highway	11,500	11,500	11,500	11,500	0
Other State Provided	5,120	3,169	3,275	3,275	0
School Revenue	1,539,816	1,854,341	1,927,605	2,002,713	75,108
	<b>2,140,591</b>	<b>2,473,319</b>	<b>2,555,032</b>	<b>2,656,488</b>	<b>101,456</b>
<b>Other Revenue</b>					
GMH Housing	265,126	266,849	275,875	275,000	(875)
Investment Income	40,429	39,455	32,000	51,000	19,000
School Resource Officer	40,000	40,000	40,000	46,350	6,350
Trust Revenue	30,000	22,500	30,000	30,000	0
Sewer Department Rental	22,900	22,900	22,900	22,900	0
Miscellaneous/other	32,394	35,786	34,655	29,655	(5,000)
Carry forwards & Supplemental Appropriations			14,000	243,978	229,978
	<b>430,849</b>	<b>427,490</b>	<b>449,430</b>	<b>698,883</b>	<b>249,453</b>
<b>TOTAL REVENUE</b>	<b>28,759,557</b>	<b>29,741,240</b>	<b>30,341,337</b>	<b>31,726,063</b>	<b>1,384,726</b>
<b>Expenses</b>					
General Government	898,459	928,245	883,515	941,206	57,691
Shared Expenses	2,726,345	3,082,961	3,192,950	3,491,636	298,686
Planning & Code Enforcement	364,375	438,558	459,178	501,148	41,970
Public Safety	2,384,592	2,344,180	2,425,504	2,564,021	138,517
Public Works	1,539,206	1,609,442	1,792,346	1,885,669	93,323
Community and Human Services	1,648,120	1,682,785	1,731,317	1,774,655	43,338
County Tax	912,948	909,420	934,420	869,853	(64,567)
Streetlights	128,599	149,868	130,000	120,000	(10,000)
Hydrant Rental	224,348	246,775	254,179	261,804	7,625
Other	220,560	202,329	288,626	308,560	19,934
Education	15,102,870	15,722,827	16,675,009	17,229,230	554,221
Capital Investment	1,159,492	1,208,975	1,509,303	1,703,281	193,978
Overlay	-	-	-	-	-
Transfers to Other Funds	-	324,805	-	-	-
	<b>27,309,913</b>	<b>28,851,171</b>	<b>30,276,347</b>	<b>31,651,063</b>	<b>1,374,716</b>
<b>TOTAL EXPENSES</b>	<b>27,309,913</b>	<b>28,851,171</b>	<b>30,276,347</b>	<b>31,651,063</b>	<b>1,374,716</b>
<b>OVERLAY</b>			64,990	75,000	10,010
<b>NET</b>	<b>1,449,644</b>	<b>890,070</b>	<b>-</b>	<b>-</b>	<b>-</b>

## MIL RATE PROJECTION AND ALLOCATION FY2019

Mil Rates and Valuation	ACTUAL FY15	ACTUAL FY16	ACTUAL FY17	BUDGET FY18	PROPOSED FY19	\$ Change	% Change
Valuation Actual/Projected	1,409,812,100	1,422,425,947	1,428,715,466	1,437,006,766	1,449,006,766	12,000,000	0.84%
Taxes Committed/Projected	21,880,284	22,289,417	22,932,668	23,710,959	24,541,734	830,775	3.50%
Mil Rate	15.52	15.67	16.05	16.50	16.99	0.49	2.96%
OVERLAY	143,248	128,298	92,479	64,990	75,000	10,010	15.40%
School Portion of Commitment		14,054,574	14,463,038	14,747,404	15,226,517	479,113	3.25%
Town & Capital Portion of Commitment		8,234,843	8,469,630	8,963,555	9,315,217	351,662	3.92%

<sup>1</sup>FY18 represents Actual Commitment against budgeted numbers

Mil Rate Projection Allocation	ACTUAL FY15	ACTUAL FY16	ACTUAL FY17	COMMITTED FY18	PROPOSED FY19	\$ Change	% Change
<b>Tax Rate</b>	<b>15.52</b>	<b>15.67</b>	<b>16.05</b>	<b>16.50</b>	<b>16.99</b>	<b>\$ 0.49</b>	<b>2.96%</b>
Municipal	3.83	4.24	4.38	4.49	4.62	\$ 0.12	2.75%
Capital	0.86	0.82	0.85	1.05	1.18	\$ 0.13	12.26%
School	10.13	9.88	10.12	10.26	10.54	\$ 0.28	2.71%
County	0.64	0.64	0.64	0.65	0.60	\$ (0.05)	-7.40%
Overlay	0.10	0.09	0.06	0.05	0.05	\$ 0.01	14.80%

## UNDESIGNATED FUND BALANCE HISTORY

### Undesignated Fund Balance History

	FY13	FY14	FY15	FY16	FY17
Municipal	4,157,238	4,345,203	4,226,375	5,088,925	5,217,892
School Department	579,247	792,894	315,748	444,846	613,679
<b>Total</b>	<b>\$4,736,485</b>	<b>\$5,138,097</b>	<b>\$4,542,123</b>	<b>\$5,533,771</b>	<b>\$5,831,571</b>
Budgeted Expenditures	26,069,718	26,538,105	26,994,287	27,850,967	29,158,146
Budgeted Monthly	2,172,477	2,211,509	2,249,524	2,320,914	2,429,846
2.5 Months Budgeted	5,431,191	5,528,772	5,623,810	5,802,285	6,074,614
Actual Months Town & School	2.18	2.32	2.02	2.38	2.40
Town and School Fund Balance as % of Total Budget	18.2%	19.4%	16.8%	19.9%	20.0%

# REVENUE SUMMARY

## REVENUE SOURCES

The Town of Kittery's primary revenue source is the local property tax. The property tax supports the municipal, school, capital, and the town's-share of the county operations. Approximately 77% of the annual appropriation is funded through local property taxes, which is down 2% from the year prior.

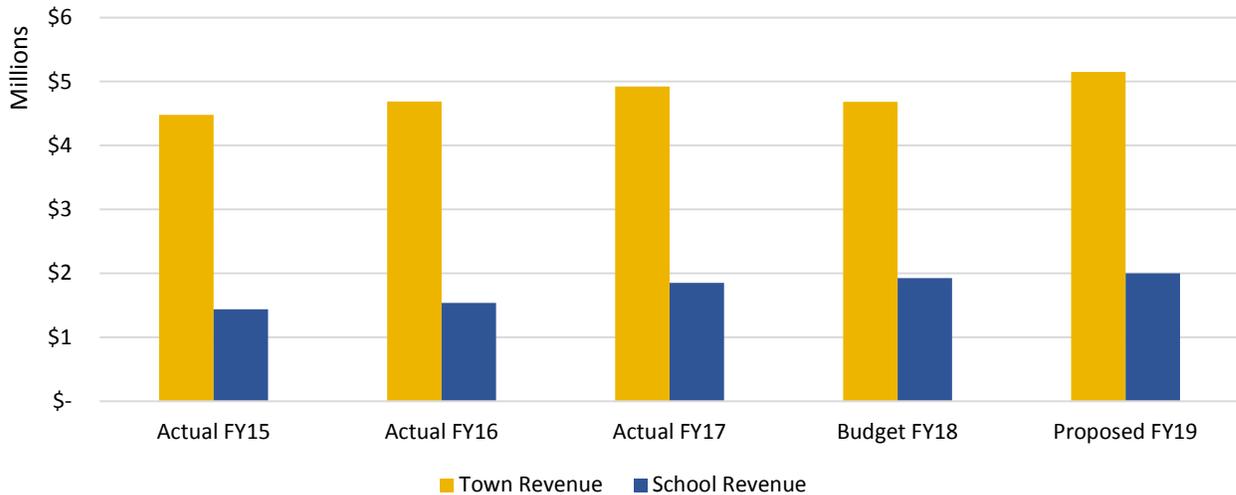
Approximately \$0.62 of every dollar paid in property tax supports Kittery's educational programs; \$0.27 is for municipal operations including: public works, police, administration, planning and code enforcement, fire service, recreation, and other functions. The municipal operation also includes the Tax Incentive Financing revenue diversion of \$125,000. Capital is funded with \$0.07 from every property tax dollar raised, and the county receives \$0.04 of every dollar. The remaining is for ancillary charges such as the overlay.

## Tax Dollar Breakdown



The remaining 23% of the town's revenues are derived from fees, fines, state funding, and other revenue. The town is a minimum receiver for education funding, meaning the state only provides financial support for mandated special education programs. The municipal operation and school department are projecting a combined 8% increase in non-property-tax revenue, or approximately \$571,719 over the prior year. Of this increase, 87%, or approximately \$496,611 is from the municipal operations. The remaining \$75,108 is from the school revenue.

## Non-Property Tax Revenue Sources



The town has a number of revenue generating operations. These include the Recreation Department, Resource Recovery Center, Fort Foster, Harbormaster activities, and shared dispatcher services. Revenue from all of these operations except for the Resource Recovery Center are expected to increase in FY19.

### Revenue Generating Operations

Revenue Projections	Actual FY15	Actual FY16	Actual FY17	Budget FY18	Projected FY19	Variance
Recreation	\$734,361	\$835,748	\$932,263	\$874,355	\$982,000	\$107,645
SW Fees & Fines	\$169,466	\$175,490	\$177,189	\$188,000	\$180,000	(\$8,000)
Fort Foster Fees	\$172,997	\$195,526	\$198,952	\$183,000	\$195,000	\$12,000
Harbormaster Fees & Fines	\$125,838	\$136,002	\$133,351	\$121,450	\$135,140	\$13,690
Dispatch Income	\$70,000	\$80,000	\$90,000	\$91,350	\$93,360	\$2,010
<b>Total</b>	<b>\$1,272,662</b>	<b>\$1,422,765</b>	<b>\$1,531,754</b>	<b>\$1,458,155</b>	<b>\$1,585,500</b>	<b>\$127,345</b>

The Resource Recovery Center's Solid Waste (SW Fees & Fines) revenue is derived primarily from the sale of recyclables to resellers (recycling companies). China has been the largest consumer of recyclable materials exported by the United States and has largely driven the market. In early 2018, China announced a prohibition on imports of mixed paper recyclable waste; bottoming out the resale market. Kittery also sells newsprint, plastics, and metals. These markets remain relatively intact.

The town is reviewing its collection agreements with its non-resident customers and considering tipping fees for mixed paper as a means to offset the impact of the decrease in resale value of the mixed paper. Considering these factors, the revenue projection for this revenue line is down 4.3% over the prior year.

The FY19 revenue projections include a proposed \$243,978 transfer from the Channel 22 PEG special revenue account. This special revenue account has a balance of \$476,504. Channel 22 PEG revenue is recurring, however has historically not been used to support the General Fund. The annual revenue is approximately \$100,000 and the annual expenses charged against it total \$50,000. The fund should retain a capital reserve of \$200,000. This leaves currently over \$250,000 in excess in this fund. Recognizing this transfer is a one-time option, it is being directed entirely for transfer into other reserve and holding accounts funded by annual appropriation. More specifically the Channel 22 PEG fund excess is being used to fund capital reserves and the Tax Incentive Financing (TIF) reserves. The result is an effective transfer from one reserve account to others.

**REVENUE SHARING AND FEDERAL SUPPORT**

Approximately 12.7% of non-property tax revenue comes from state Revenue Sharing, property tax relief reimbursement programs, and payment-in-lieu-of-taxes from the Portsmouth Naval Shipyard (PNSY). The total projected increase in these items is \$26,348 derived entirely from an increase in the homestead exemption reimbursement projection.

The state’s most recent biennial budget did not produce appreciable progress towards municipal financial support despite the growing list of state imposed unfunded mandates and the current Governor’s derision of municipal property taxes. The biennial budget did include additional funding for special education; the Kittery School Department is using it to offset increased school costs. The result is a growing burden on the property taxpayers.

**TAXABLE VALUATION**

Kittery’s property values have been growing by less than 1%. The FY19 budget projects a \$12M growth in valuation. This is conservative given the amount of development activity occurring in Kittery within the past year. Because the tax rate and the valuation are inversely related, a higher than projected growth in valuation will yield a lower than anticipated tax rate when the rate is set in September.

Referring back to the Comparable Communities chart, it is clear that valuation, not spending, is the driving factor for the tax rate.

**Comparable Communities**

	2016 Population	2018 State Valuation	2018 Municipal Budget	2018 Tax Rate
Wells	10,184	\$ 3,165,600,000	\$12,783,198	\$ 10.16
Kennebunk	11,320	\$ 2,380,350,000	\$12,843,385	\$ 16.55
Old Orchard Beach	8,809	\$ 1,669,300,000	\$15,775,767	\$ 15.70
Kittery	9,614	\$ 1,617,600,000	\$12,078,034	\$ 16.50

The administration recognizes the role property value growth needs to play for the town's financial stability and tax rate stabilization. The FY19 budget has been developed to support resource investment in the promotion and management of economic and community development. Target areas for smart growth include the Route 1 Mall area, the former "Business Park Zone", and Gourmet Alley (State Road). These areas were identified as priority growth areas in the town's draft Comprehensive Plan Update.

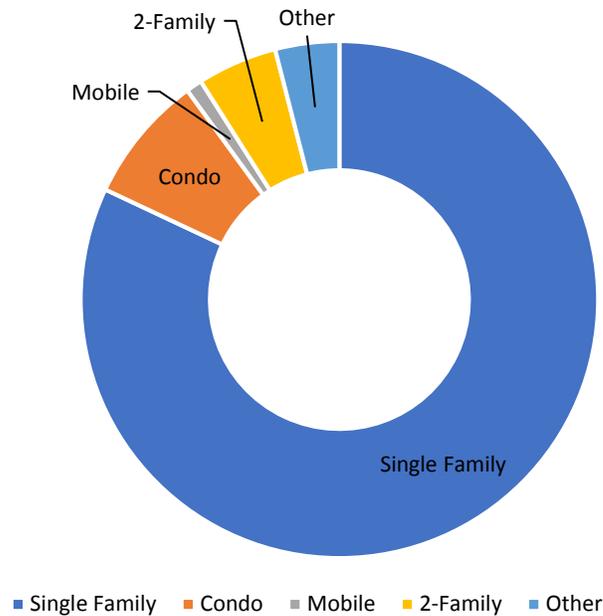
Kittery has historically taken a conservative approach to development. As a result, the zoning code is complex and reactionary. Traffic, loss of open space and vistas, and protection of the community character have placed the town in a defensive position on development. In order to be successful at smart growth, the town needs to adjust its stance and find positive and productive development opportunities to serve its long-term goals.

The town is expected to adopt its Comprehensive Plan Update in November of 2018, has completed a Foreside Transportation, Parking and Build-Out Study, and is presently rezoning the "Business Park" into a mixed-use neighborhood zone with significantly greater density than any other zone in town. These efforts put the town well on its way to attracting desirable future development. The town is also planning to complete a recodification of its land use code in FY19. Finally, the town recently launched an online permitting software program that allows customers to apply, pay, and track their building and code related permits online. All of these efforts are aimed at producing a more predictable, fair, and consistent application of the land use code across projects, which is necessary to attract desirable development.

The town is also working to address a growing challenge with its housing market. The increased interest in the town is resulting in low housing stock and high housing prices. Kittery continues to edge closer to being unaffordable.

The town is currently projecting valuation at 89% of market value, meaning all property not improved in the prior year is valued at 89% of what the current market price for the property would be if sold. The town will need to recalibrate this to be closer to 99% in the coming years.

## Residential Property Values as % by Category



Recognizing affordability as a challenge, a working group of volunteers and stakeholders have been developing a plan for inclusionary housing that includes affordable housing priced for those making up to 80% of the median area income. Those seeking inclusionary housing includes skilled labor workforce, trades people, PNSY workers, early career adults, and seniors. To make this effort successful the town must have a significant increase in the supply of housing units achieved through greater density allowance for property development in selected areas of town, and revisions to the zoning code that allow for an organic growth of units in other areas.

The town has chosen not to take action on retail marijuana. The state legislature worked throughout the 2017 calendar year to develop revisions to the referendum law that made retail marijuana operations legal in Maine. The town enacted zoning that defined the various retail and medical marijuana use types, while not identifying any zones in town where these uses are allowed. This approach effectively bans retail marijuana and large-scale medical marijuana from town.

As noted above, the town is also working on a rezoning effort for the Business Park. Following a buildout study that was completed in 2017, the town advanced an effort to rezone the over 90 acre area to allow higher residential and commercial density, reduce restrictions on wetlands setbacks, and promote street level pedestrian activity. The zoning amendment is currently being considered by the Planning Board.

## Highest Value Property Tax

Taxpayer	Business	Assessment as of April 1, 2017		
		Assessed Value	Tax	% Levy
CPG	Retail Outlet Mall	27,484,800	441,131	1.93%
FC Kittery development	Retail Outlet Mall	23,058,900	270,095	1.18%
Kevin Inc.	Retail Outlet Mall	12,690,700	203,686	0.89%
ADCO	Senior Housing	12,581,100	201,927	0.88%
CMP	Electric Utility	9,569,866	153,596	0.67%
Ventas Kittery Estates	Senior Housing	8,896,000	142,781	0.63%
Spruce Creek Retail	Retail Outlet Mall	7,693,700	123,484	0.54%
Vernon	Nursing Home	7,130,200	114,440	0.50%
Kittery Commons	Retail Outlet Mall	5,947,400	95,456	0.42%
		<b>\$ 115,052,666</b>	<b>\$ 1,746,595</b>	<b>7.65%</b>

## FY2019 Revenue Detail

	FY15 ACTUALS	FY16 ACTUALS	FY17 ACTUALS	FY18 BUDGET	FY19 PROPOSED	VARIANCE	%
43001 PROPERTY TAX REVENUE	7,900,393	8,474,715	8,502,482	8,981,322	9,240,217	258,895	
43003 PROPERTY TAX ABATEMENTS	(14,742)	(10,873)	(16,544)	-	-	-	
43004 PAYMENT IN LIEU OF TAXES-PILOT	12,756	14,722	-	-	7,000	7,000	
43006 HOMESTEAD EXEMPT STATE REIMB	128,587	130,624	170,311	170,000	180,000	10,000	
43007 TREE GROWTH REVENUE	16,154	2,602	2,758	2,758	2,758	-	
43031 EXCISE TAX AUTOMOBILE	1,614,001	1,751,648	1,836,540	1,700,000	1,750,000	50,000	
43032 EXCISE TAX BOAT	26,466	26,815	26,136	27,500	27,500	-	
43109 SIGN PERMITS	2,625	3,925	3,250	3,000	3,000	-	
43110 CODE ENFORCEMENT FEES	196,962	243,714	280,816	203,000	280,000	77,000	
43113 BOARD OF ASSESSMENT REVIEW	400	200	100	400	200	(200)	
43114 ADDITIONAL LAND USE FEES	4,288	4,713	5,010	4,400	4,400	-	
43115 PLANNING FEES (SUBDIVISIONS)	15,632	17,712	16,274	14,000	16,000	2,000	
43120 TOWN CLERK FEES	23,627	24,593	22,915	22,000	22,000	-	
43121 WILDLIFE AGENT FEE	1,208	1,183	1,164	1,200	1,200	-	
43122 ANIMAL WELFARE AGENT FEE	1,675	1,715	1,720	1,600	1,600	-	
43130 TOWN REGISTRATION FEES	27,169	28,407	28,598	27,000	27,000	-	
43135 HWY PERMITS & FEES	10	-	1,787	1,000	1,000	-	
43140 SOLID WASTE PERMITS & FEES	56,431	4,723	82,161	48,000	55,000	7,000	
43145 SOLID WASTE RECYCLING	113,035	170,767	95,028	140,000	125,000	(15,000)	
43146 SW RECYCLING EXPENSE	-	-	-	-	-	-	
43147 DINGHY FEES	8,145	7,830	11,355	8,500	12,740	4,240	
43148 TRANSIENT SLIP RENTAL	95	2,466	3,165	3,000	3,000	-	
43149 KPA APPLICATION FEES	510	1,750	990	1,000	1,000	-	
43150 MOORING FEES	87,279	85,692	82,479	84,000	84,500	500	
43151 LAUNCH FEE	10,399	15,525	15,558	8,000	15,500	7,500	
43152 TRANSIENT MOORING	6,153	7,120	5,955	5,200	5,200	-	
43153 WAIT LIST FEE	1,390	1,409	1,455	750	1,450	700	
43154 HARBOR & WATER USAGE FEE	11,868	14,211	11,714	11,000	11,000	-	
43156 PIER USAGE FEES	-	-	680	-	750	750	
43160 FORT FOSTER FEES	172,997	195,526	198,952	183,000	195,000	12,000	
43165 SPRINKLER PERMITS	200	100	100	250	250	-	
43210 LIEN FEES	47,825	8,341	8,761	30,000	15,000	(15,000)	
43220 PENALTY INTEREST	34,384	42,470	37,504	35,000	35,000	-	
43320 RECREATION FEES	734,361	835,748	932,263	874,355	982,000	107,645	
43330 ANIMAL CONTROL	6,808	9,650	6,733	6,500	6,500	-	
43335 POSTAGE	169	6	146	-	-	-	
43336 PHOTO COPIES	274	489	523	375	350	(25)	
43349 DEA OVERTIME REIMBURSEMENT	21,053	17,913	18,474	18,000	5,000	(13,000)	
43350 OUTSIDE DETAIL REIMBURSEMENT	22,917	15,440	22,132	15,000	-	(15,000)	
43351 ACCIDENT REPORTS	3,377	2,864	2,502	3,000	3,000	-	
43352 PARKING TICKETS	8,895	9,245	17,205	14,000	15,000	1,000	
43353 GUN PERMITS	2,028	1,179	1,252	2,000	2,000	-	
43354 ELIOT DISPATCHING SERVICES	70,000	80,000	90,000	91,350	93,360	2,010	
43355 ORDINANCE FINES	300	400	50	400	100	(300)	
43356 WITNESS FEES	271	30	310	500	500	-	
43358 FALSE ALARMS	1,220	860	940	1,110	1,100	(10)	
43359 AMBULANCE DISPTACH FEES	16,000	16,000	16,000	16,000	16,000	-	

Continued on the next page

## FY2019 Revenue Detail (cont'd)

	FY15 ACTUALS	FY16 ACTUALS	FY17 ACTUALS	FY18 BUDGET	FY19 PROPOSED	VARIANCE	%
43320 RECREATION FEES	734,361	835,748	932,263	874,355	982,000	107,645	
43330 ANIMAL CONTROL	6,808	9,650	6,733	6,500	6,500	-	
43335 POSTAGE	169	6	146	-	-	-	
43336 PHOTO COPIES	274	489	523	375	350	(25)	
43349 DEA OVERTIME REIMBURSEMENT	21,053	17,913	18,474	18,000	5,000	(13,000)	
43350 OUTSIDE DETAIL REIMBURSEMENT	22,917	15,440	22,132	15,000	-	(15,000)	
43351 ACCIDENT REPORTS	3,377	2,864	2,502	3,000	3,000	-	
43352 PARKING TICKETS	8,895	9,245	17,205	14,000	15,000	1,000	
43353 GUN PERMITS	2,028	1,179	1,252	2,000	2,000	-	
43354 ELIOT DISPATCHING SERVICES	70,000	80,000	90,000	91,350	93,360	2,010	
43355 ORDINANCE FINES	300	400	50	400	100	(300)	
43356 WITNESS FEES	271	30	310	500	500	-	
43358 FALSE ALARMS	1,220	860	940	1,110	1,100	(10)	
43359 AMBULANCE DISPTACH FEES	16,000	16,000	16,000	16,000	16,000	-	
43410 MDOT HWY MAINTENANCE REVENUE	-	11,500	11,500	11,500	11,500	-	
43420 STATE REVENUE SHARING	403,632	414,234	403,294	397,652	414,000	16,348	
43421 STATE PARK FEE REV SHARING	542	386	505	275	275	-	
43443 RESTITUTION INCOME/UNAPPROP	5,212	4,734	2,664	3,000	3,000	-	
43470 STATE OF MAINE GENERAL ASSISTA	30,200	39,297	30,705	45,000	45,000	-	
43480 MARY SAFFORD WILDES TRUST/WELF	30,000	30,000	22,500	30,000	30,000	-	
43510 INTEREST ON INVESTMENTS	33,737	37,928	39,171	30,000	50,000	20,000	
43530 MISCELLANEOUS REVENUE/UNAPPO	78,894	22,720	35,254	25,000	20,000	(5,000)	
43540 SEWER DEPT RENT	22,900	22,900	22,900	22,900	22,900	-	
43555 SNOWMOBILE/HANDICAP/ELDER	609	662	450	655	655	-	
43560 GMH HOUSING	283,951	265,126	266,849	275,875	275,000	(875)	
43575 SUP APPRO FROM UNDESIGNATED	-	-	-	13,000	243,978	230,978	
43580 USE OF CARRY FORWARDS	2,643	-	-	1,000	-	(1,000)	
45007 INTEREST REVENUE	38,895	2,501	284	2,000	1,000	(1,000)	
45020 MMA W/C DIVIDEND	13,263	9,012	82	9,000	9,000	-	
45025 SCHOOL RESOURCE OFFICER COMP	40,000	40,000	40,000	40,000	46,350	6,350	
<b>TOTAL REVENUE</b>	<b>12,380,073</b>	<b>13,165,167</b>	<b>13,423,860</b>	<b>13,666,327</b>	<b>14,421,833</b>	<b>755,506</b>	<b>5.5%</b>

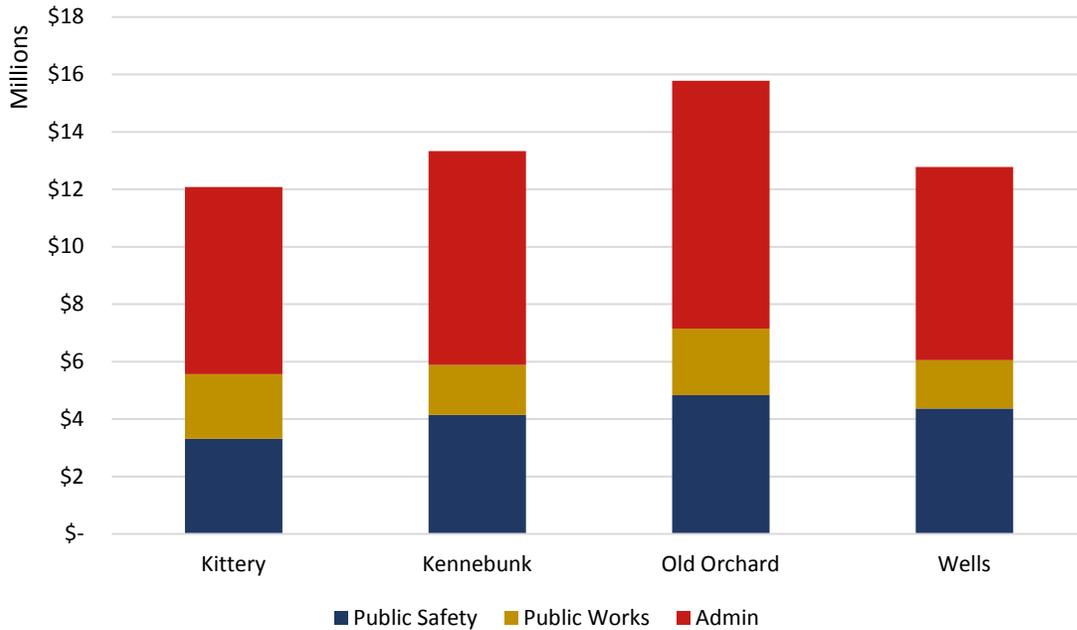
## EXPENSE SUMMARY

The FY19 annual tax commitment is projected to increase from \$23,710,959 to \$24,541,734, or approximately \$830,775 (3.50%). Total spending is increasing \$1,374,716, which will be offset by \$496,611 increase in non-property tax revenue from the municipal operations, and \$75,108 in additional school revenue. The proposed property tax levy is \$142,975 less than the LD-1 limit.

The spending plan for the municipal and capital operations has been developed to support the priorities of the town in the coming fiscal year. The FY19 spending plan reflects increases in non-discretionary items, revised allocation of certain expenditures among funds and departments, and further recalibration of recurring line items. Additionally, this budget reflects the town's increased commitment to economic and community development.

Kittery remains in line with its comparable communities, relative to the cost of providing major municipal services. Logically, the scale of spending for police, fire, highway, parks, solid waste, and other municipal services for this area of Southern Maine should be generally consistent.

### Municipal Operations Spending by Comparison<sup>2</sup>

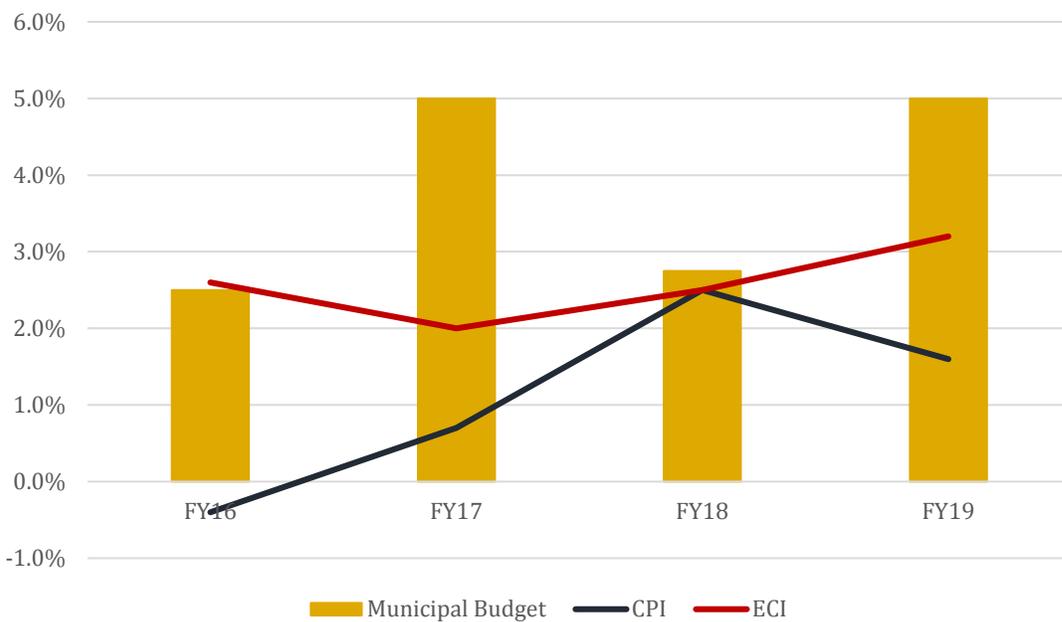


<sup>2</sup> Admin includes all other departments not covered by Public Safety and Public Works. It also includes capital, debt expenditures.

For municipal services (exclusive of capital and school), the projected FY19 cost increase is tracking above the Consumer Price Index and the Employment Cost Index. The Employment Cost Index is a better measure of inflationary pressure on the municipal budget, as the town is primarily a service provider, with costs for wages and benefits exceeding 50% of the annual budget.

The increase proposed for the FY19 budget exceeds the CPI and ECI in no small part due to the quantity and magnitude of the operational changes incorporated in the spending plan. The reorganization of the Planning Department, the addition of the online permitting program, the reallocation of the assistant tax collection and sewer billing support, the proper calculation of the TIF districts, and other changes are reflected in the higher percentage increase of the budget over these benchmarks.

**% Increase Consumer Price Index, Employment Cost Index, and Municipal Operations<sup>3</sup>**



**MUNICIPAL COST DRIVERS**

Approximately \$7.6M in the \$12.7M budget is associated with wages and benefits for active and retired employees.

The FY19 budget also includes a correction to the Tax Incentive Financing District offset. This is shown as an expenditure in the fiscal budget and reflects the offset of tax revenue to a segregated fund designated solely for improvements in the TIF districts. This offset has more than doubled due to revised calculations of the value growth in the town’s three districts.

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<sup>3</sup> Source: Bureau of Labor Standards, Consumer Price Index Northeast Region, January unadjusted, Employment Cost Index, Civilian, 12 months ended Dec 2017

Additional cost drivers include expenditures that have in the past been charged to other funds, despite belonging in the general fund budget; and further recalibration of budgets to reflect historic actual costs.

Finally, the budget includes new expenditures not budgeted in the prior year for planning and public safety.

The town was in negotiation with its collective bargaining units while developing the prior year's budget. In an effort to plan accordingly for wage increases expected with the new contracts, the budget carried a "Salary Adjustment" account that contained the funding needed to support wage increases throughout all the departments. As a result, the FY19 projected wages appear to have increased significantly over the prior year; when in fact the wages reflect two years' worth of contractual increases (FY18 and FY19) rather than one.

Wages and benefits are an important budgetary factor for the town, given the 3.0% unemployment rate in the State of Maine and 2.6% unemployment in New Hampshire. The impact of cost increases in benefits has been partially obscured by the allocation of these costs across each department. Segregation of these costs is generally effective for enterprise funds; and will be continued with the Sewer Enterprise Fund. However, in terms of an organization of the town's size and scope, it is an exercise that is not particularly value-driven for management. To bring the bigger picture of employment costs into focus, the health and dental insurance, FICA, retirement, workers compensation, and other employee costs have been consolidated into a Shared Expenses budget.

Once combined it is clear to see that 50% of the total cost increase for the municipal operations (excluding capital) is the result of increases in health insurance, retirement, retiree benefits, and workers compensation.

The town is working hard to attract seasonal and non-benefit eligible part-time employees. During the Great Recession it was possible to save money on benefits and hire qualified candidates through part-time and seasonal positions. This is no longer the case, as there are more well-paying jobs than qualified candidates available. The administration is reviewing staffing arrangements to ensure the needed resources are available to fulfill the core municipal functions of the town, and looking at changing some positions such as Public Works seasonal to full-time, and at compensation strategies such as a per diem program for firefighters to alleviate the challenges.

The town also cannot meet its economic and community development goals without an investment in planning expertise. As growth management is a long-term effort that requires a broad understanding of the town, the expertise cannot be provided effectively through a consultant. Therefore, utilizing vacancies in the Planner and Assistant Planner positions in a strategic manner, the town reorganized the department. The town now has a Director of

Planning and Development, charged with a responsibility to promote desirable economic and community growth in town. The Planner position has been adjusted to remove department level management and is more specifically charged with reviewing applications and supporting the Planning Board. This reorganization is responsive to the annual goal of enhancing the Town's economic development activities.

## SUMMARY OF FY2019 DEPARTMENT EXPENDITURES

Expense Projections	ACTUAL FY15	ACTUAL FY16	ACTUAL FY17	BUDGETED FY18	PROPOSED FY19	\$ Change	% Change	% of Total Budget
<b>GENERAL GOVERNMENT</b>								
Admin	759,139	883,013	913,698	864,865	922,056	57,191	6.61%	7.2%
Council	5,645	5,489	4,936	7,350	7,350	-	0.00%	0.1%
Elections	8,752	9,957	9,611	11,300	11,800	500	4.42%	0.1%
Total General Government	773,536	898,459	928,245	883,515	941,206	57,691	6.53%	7.4%
<b>SHARED EXPENSES</b>								
Retirement	327,173	376,091	393,540	416,742	507,694	90,952	21.82%	4.0%
FICA	323,517	324,612	344,953	365,812	388,905	23,093	6.31%	3.1%
Workers Compensation	97,006	140,436	165,773	167,622	186,587	18,965	11.31%	1.5%
Medical - Active Employees	874,536	865,601	938,887	1,019,403	1,134,533	115,130	11.29%	8.9%
Dental - Active Employees	7,278	7,891	8,289	11,812	13,845	2,033	17.21%	0.1%
Property and Casualty Insurance	125,696	131,834	138,212	164,172	170,949	6,777	4.13%	1.3%
Self Insurance Claims	92,310	23,013	18,520	13,000	-	(13,000)	-100.00%	0.0%
Retired Medical & Dental	93,125	137,277	152,230	134,847	212,306	77,459	57.44%	1.7%
Misc Employee-related costs	33,975	27,862	31,431	37,552	35,956	(1,596)	-4.25%	0.3%
Employee Benefits & Insurance	1,974,614	2,034,617	2,191,835	2,330,962	2,650,775	319,813	13.72%	20.8%
Debt Service	670,272	691,728	891,126	861,988	840,861	(21,127)	-2.45%	6.6%
Total Shared Expenses	2,644,886	2,726,345	3,082,961	3,192,950	3,491,636	298,686	9.35%	27.5%
<b>PLANNING &amp; CODE ENFORCEMENT</b>								
Planning Board & BOA	10,072	10,251	9,765	16,337	14,149	(2,188)	-13.39%	0.1%
Planning & Code Enforcement	253,841	251,912	297,464	299,970	342,457	42,487	14.16%	2.7%
Assessor	140,110	101,684	130,809	142,351	144,022	1,671	1.17%	1.1%
Misc Exp - Public Health	522	528	520	520	520	-	0.00%	0.0%
Total Planning & Code Enforcement	404,545	364,375	438,558	459,178	501,148	41,970	9.14%	3.9%
<b>PUBLIC SAFETY</b>								
Fire	268,573	309,830	306,883	303,906	331,910	28,004	9.21%	2.6%
Police	2,008,488	2,074,763	2,037,297	2,120,898	2,231,411	110,513	5.21%	17.5%
Misc Exp - Civil Preparedness	262	-	-	700	700	-	0.00%	0.0%
Public Safety	2,277,322	2,384,592	2,344,180	2,425,504	2,564,021	138,517	5.71%	20.2%
<b>PUBLIC WORKS</b>								
Highway	919,591	832,033	878,528	1,003,764	1,061,328	57,564	5.73%	8.3%
Resource Recovery	463,854	483,118	482,091	509,394	535,237	25,843	5.07%	4.2%
In Town Parks	112,898	121,882	122,488	129,433	133,618	4,185	3.23%	1.1%
Fort Foster/Seapoint/Crescent Beach	107,128	102,173	126,335	149,755	155,486	5,731	3.83%	1.2%
Public Works	1,603,472	1,539,206	1,609,442	1,792,346	1,885,669	93,323	5.21%	14.8%
<b>COMMUNITY &amp; HUMAN SERVICES</b>								
Library	440,916	448,412	457,380	467,380	478,901	11,521	2.47%	3.8%
Harbormaster	97,473	94,663	94,045	95,675	94,950	(725)	-0.76%	0.7%
Recreation	932,547	975,839	987,087	1,025,907	1,054,874	28,966	2.82%	8.3%
Misc Exp - General Assistance	59,476	48,141	59,440	50,000	50,000	-	0.00%	0.4%
Community Agencies	13,830	11,230	11,730	11,765	9,165	(2,600)	-22.10%	0.1%
Adult Education	69,835	69,835	73,103	80,590	86,765	6,175	7.66%	0.7%
Community and Human Services	1,614,077	1,648,120	1,682,785	1,731,317	1,774,655	43,337	2.50%	14.0%
<b>MISC EXPENSES - OTHER</b>								
County Tax	908,475	912,948	909,420	934,420	869,853	(64,567)	-6.91%	6.8%
Streetlights & Machine/Equip. Maint.	126,071	128,599	149,868	130,000	120,000	(10,000)	-7.69%	0.9%
Hydrant Rental	215,979	224,348	246,775	254,179	261,804	7,625	3.00%	2.1%
Other Miscellaneous	222,571	220,560	202,329	288,626	308,560	19,934	6.91%	2.4%
Miscellaneous Expenses	1,473,096	1,486,455	1,508,392	1,607,225	1,560,217	(47,008)	-2.92%	12.3%
<b>Total Operating Expenses</b>	<b>10,790,934</b>	<b>11,047,551</b>	<b>11,594,564</b>	<b>12,092,035</b>	<b>12,718,552</b>	<b>626,517</b>	<b>5.18%</b>	<b>100.0%</b>
		2.4%	5.0%	4.3%				
CAPITAL IMPROVEMENT PLAN	1,208,975	1,159,492	1,208,975	1,509,303	1,703,281	193,978	12.85%	
<b>TOTAL MUNICIPAL EXPENSES</b>	<b>11,999,909</b>	<b>12,207,043</b>	<b>12,803,539</b>	<b>13,601,338</b>	<b>14,421,833</b>	<b>820,495</b>	<b>6.03%</b>	

## CAPITAL INVESTMENT PLAN

The Fiscal Year 2019 to Fiscal Year 2023 Capital Improvement Plan (FY19-FY23 CIP) focused on accurately reflecting the departments' needs, anticipating future projects, and thoughtfully planning debt management strategies. Since 2012, the Capital Improvement Program has supported the completion of \$15.5M in town and school projects through capital appropriation and bonding. These projects include \$7.3M in school improvements, \$1.2M in road maintenance and roadway improvements, \$6.5M for the Community Center, and \$500K in open space preservation. The town currently holds \$1.9M in capital reserves for future needs associated with roadways, equipment, buildings, technology, and land improvements.

The proposed FY19 capital budget is \$1,703,281, which is an increase of \$193,978 over the previous year. Combined capital and debt service is \$3,346,911, or approximately \$158,500 increase over FY18.

Funding for Holding Accounts is projected to increase \$216,150 over the prior fiscal year. This increase is driven primarily by the Public Works Right of Way reserve, which has an increase of \$200,000 this fiscal year. The updated Five-Year Pavement Management Plan calls for approximately \$400,000 annually to keep up with basic road maintenance needs.

The Capital Reserve Accounts are projected to decrease \$44,450 in FY19. This CIP changes the Fire Station Boiler Replacement project into a reserve account and renames it "Fire Facility Reserve". The boiler replacement at Gorges Road is complete, however the boiler at the Lewis Square station is in need of replacement. Recognizing that these on-going facility needs, some of which can be unique to fire stations, will exist into the future, it is prudent to maintain a reserve for on-going fire station needs.

The administration anticipated developing a facility master plan in FY18. The plan has not yet been developed, therefore the Fire Facility Reserve is not populated past FY19, and the Municipal Facility Reserve (Holding Account) is again proposed for funding at \$50,000. The facility master plan is expected to inform the CIP in the coming years.

Capital Projects are increasing by \$22,278. Capital projects include design funds for the renovation and expansion of the Rice Public Library, at \$100,000. This represents sufficient funding to advance the design into the schematic phase. As a result of the November 2017 non-binding ballot vote, and the expectation that the Taylor Building will likely be sold as the Library expands its Rice facility, the various proposed Library building "enhancement projects" (elevators, air conditioning) have been removed from the plan. This work is expected to be incorporated into the overall renovation and expansion project.

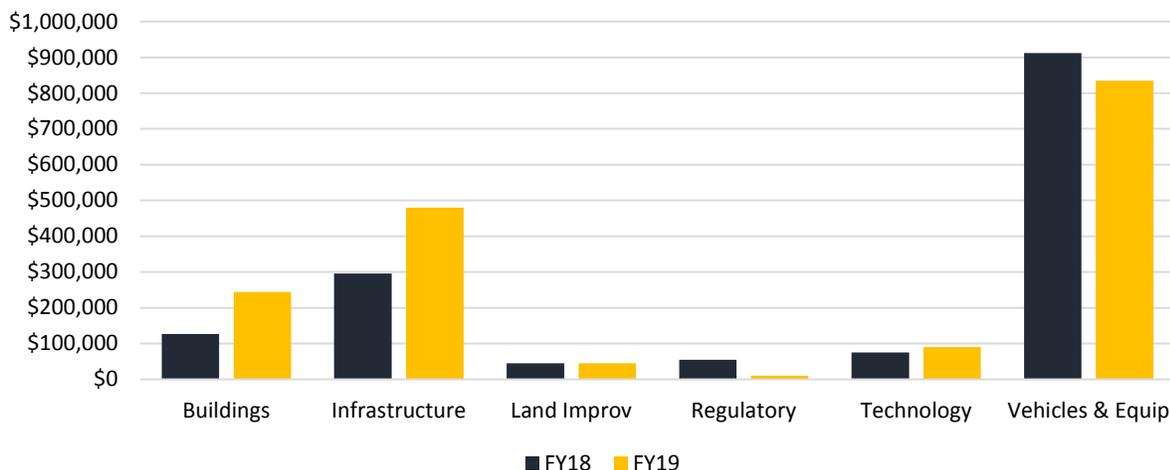
An additional \$36,000 is being sought for the completion of the Pepperrell Cove paving project. Recent paving estimates came in significantly higher than anticipated when the project was initiated in FY14. The parking lot and ramp paving will close out this project.

The proposed capital budget has been reduced by \$50,000 from the published Capital Improvement Plan. The reduction reflects a shift in strategy to replace the aged Government Street pier. The town had been planning to accumulate the necessary funding for this project over a number of years, delaying the actual reconstruction until sufficient funds were available and/or grants were obtained to offset the costs. Following significant storms in early 2018 that caused additional deterioration of the structure, the town will seek full funding from the undesignated surplus in June 2018, for this project. Therefore, the KPA Facility Reserve allocation proposed in the CIP is duplicative and unnecessary.

This plan does not include additional funding for the Zoning Recodification and GIS Upgrade, which was created in FY18 as a \$75,000 project funded over two years. The current balance in the fund is \$70,000 following a \$25,000 transfer of funds from the Comprehensive Plan Update account. This is believed to be sufficient at this time to make significant progress on this project.

Other projects proposed or sought are planned to be funded through the Public Safety Impact account. The Police Department requested upgrades and replacements to their radios at approximately \$41,000. This was originally proposed as a capital request. The CIP Committee determined the request was better suited for the Public Safety Impact account. The Police Department will also be replacing outdated Automated Electrical Defibrillators (AEDs) at a cost of approximately \$11,000. Council has requested consideration of installing variable speed radar signs (pole mounted) as part of the multi-year capital program as well. The cost of solar powered signs is approximately \$3,000 - \$5,000 per device installed. We are prioritizing locations and plan to install three devices in FY19 with funds available in the Public Safety Impact account.

### Capital Improvement Costs by Category



# Section II Department Budgets



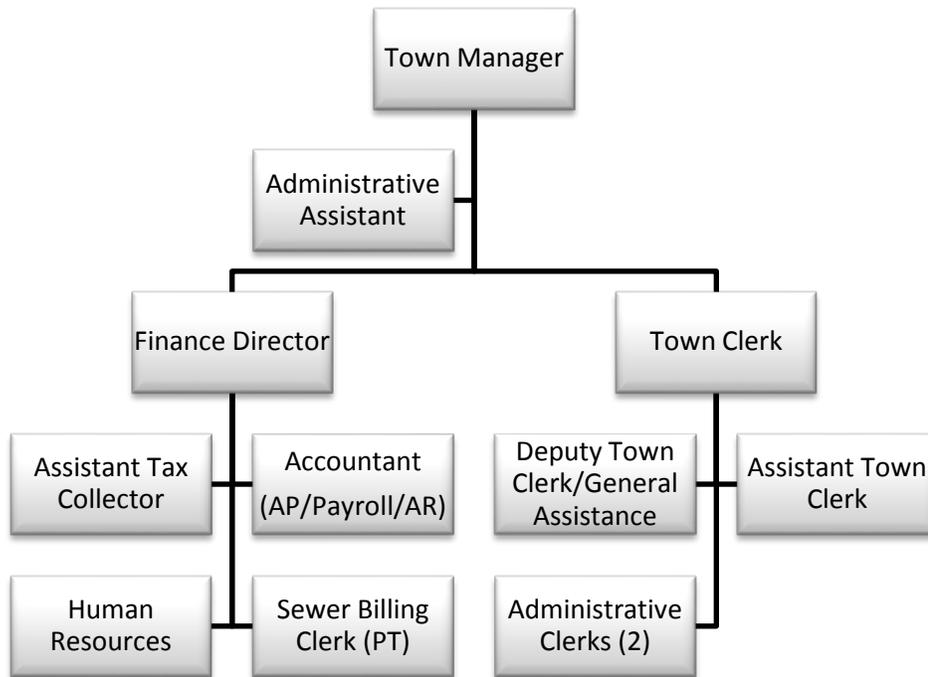
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**ADMINISTRATION**

**MISSION STATEMENT**

The mission of the Administration is to deliver municipal services in an efficient and cost-effective manner while meeting or exceeding the expectations of Kittery residents. The Administration budget includes the Town Clerk’s department, the Finance Department and Human Resources.

**DEPARTMENT ORGANIZATION**



**PERSONNEL SUMMARY**

POSITION	FY18 Budget	FY19 Proposed
Town Manager (shared with Sewer Fund)	0.75	0.75
Administrative Assistant	0.70	1
Finance Director	1	1
Assistant Tax Collector (moved from Sewer Fund)	1	1
Accountant	1	1
Sewer Billing Clerk (moved to Sewer Fund)	0.50	0.50
Human Resources Generalist	1	1
Town Clerk	1	1
Deputy Town Clerk/General Assistance	1	1
Assistant Town Clerk	1	1
Administrative Clerk	2	2
<b>Total FTE</b>	<b>10.95</b>	<b>11.25</b>

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**BUDGET OVERVIEW**

The Administration budget is proposed to increase 6.6%, approximately \$57,191.

The town was still in union negotiations at the time the FY18 budget was adopted. Therefore, the wages shown in FY18 did not reflect the cost of living or merit increases anticipated for that fiscal year. At the conclusion of negotiations, the Council approved a 2.0% cost of living increase for FY18 and a 2.25% in FY19. These two increases are reflected in FY19 wages and result in an overstated annual projection of wage increases.

The Sewer Bookkeeper/Assistant Tax Collector position was originally established to provide support to the Sewer operation. Over the years this position shifted responsibility and focus to tasks associated with tax collection. As a result, it is no longer justifiable to charge this position to the Sewer Enterprise fund. Therefore, the FY19 Administration budget includes the full cost of this position.

The part-time Billing Clerk has been shifted to the Sewer Enterprise fund. This position was created in 2016 to assist with sewer billing and the betterment assessment implementation. This position primarily supports the Sewer operations and is appropriately allocated to the Sewer Enterprise Fund rather than the General Fund.

The Town Manager's Assistant was increased from a 0.70 FTE part-time position to a full-time position during FY18. Wages reflect the increased hours for this position.

The Computer Services increase reflect software upgrades and license fee increases for our license tracking system (TRIO).

The budget also includes, the addition of necessary pest control services for Town Hall and an increase in Office Supplies to reflect the actual annual costs.

There is a reduction in the Web Page costs due to the completion of the web site conversation. The office furniture line item is also reduced, with the intent to continue the chair replacement program begun in FY18, albeit at a slower pace.

<b>ADMINISTRATION</b>	<b>FY15</b>	<b>FY16</b>	<b>FY17</b>	<b>FY18</b>	<b>FY19</b>		
<b>101110</b>	<b>ACTUALS</b>	<b>ACTUALS</b>	<b>ACTUALS</b>	<b>ADJ BUDGET</b>	<b>PROPOSED</b>	<b>VARIANCE</b>	<b>%</b>
64011 MANAGER SALARY (75%)	83,050	80,117	57,283	88,620	92,910	4,290	
64014 TOWN CLERK SALARY	68,573	71,777	70,283	71,321	62,753	(8,568)	
64017 CLERKS SALARIES	187,340	192,838	195,299	200,962	305,082	104,120	
64018 HR GENERALIST	45,955	62,647	43,593	52,000	54,233	2,233	
64020 PART TIME SALARIES	3,087	-	39,190	54,080	-	(54,080)	
64026 FINANCE DIRECTOR SALARY	84,789	88,339	70,421	95,000	99,088	4,088	
64027 CUSTODIAN WAGES	9,087	9,045	7,907	7,540	7,593	53	
64030 OVERTIME	3,398	3,942	6,609	2,000	2,000	-	
64033 SICK TIME BUY BACK	-	-	2,027	2,057	-	(2,057)	
<b>Total Personal Services</b>	<b>485,281</b>	<b>508,704</b>	<b>492,612</b>	<b>573,580</b>	<b>623,659</b>	<b>50,079</b>	<b>8.7%</b>
65010 POSTAGE	12,432	12,238	11,277	12,000	12,000	-	
65020 TELEPHONE & INTERNET	7,496	9,205	9,082	8,000	8,000	-	
65030 TRANSPORTATION	312	1,394	-	1,500	1,500	-	
65040 EDUCATIONAL/MEETING EXPENSES	2,788	4,560	1,560	5,000	5,000	-	
65060 PRINTING	5,002	4,194	5,431	5,200	5,000	(200)	
65080 LEGAL NOTICES/OTHER ADV	15,278	8,682	6,228	3,000	3,000	-	
65110 TOWN MANAGER SEARCH	1,748	-	-	-	-	-	
65200 ELECTRICITY	10,242	14,080	15,646	16,000	16,000	-	
65220 WATER	300	381	313	335	335	-	
65230 FUEL OIL	6,868	4,465	4,330	4,200	4,200	-	
65240 DUMPSTERS	552	562	562	600	600	-	
65250 SEWER	318	195	210	180	180	-	
65300 MACHINE & EQUIPMENT MAINT	30,644	49,698	62,602	30,000	30,000	-	
65400 LEGAL SERVICES	64,053	98,483	70,876	60,000	60,000	-	
65410 COMPUTER SERVICES	37,666	29,481	38,931	39,000	43,332	4,332	
65415 WEB PAGE	3,450	3,475	3,530	6,525	3,500	(3,025)	
65420 TECHNICAL SUPPORT	1,330	1,349	2,049	-	-	-	
65430 AUDIT SERVICES	15,827	16,143	15,500	16,500	16,500	-	
65480 OTHER PROFESSIONAL SERVICES	7,193	60,826	128,816	40,000	40,000	-	
65500 MAINTENANCE OF BLDG/GROUNDS	13,762	18,031	12,020	12,000	16,500	4,500	
65980 PROFESSIONAL SERVICES FINANCE	4,432	1,659	2,570	-	-	-	
66010 OFFICE SUPPLIES	6,989	12,265	7,083	6,000	8,000	2,000	
66020 BOOKS/SUBSCRIPTIONS	471	779	711	745	1,000	255	
66025 MAINE MUNICIPAL ASSOC. DUES	11,829	11,970	12,090	12,300	12,550	250	
66030 OTHER SUPPLIES	-	-	206	-	-	-	
66035 ABSTRACTS & LIENS	10,506	8,500	8,377	9,500	9,500	-	
66040 JANITORIAL SUPPLIES & SERVICES	894	908	1,084	700	700	-	
67510 OFFICE FURNITURE & EQUIPMENT	1,477	787	-	2,000	1,000	(1,000)	
<b>Total Expenses</b>	<b>273,859</b>	<b>374,309</b>	<b>421,086</b>	<b>291,285</b>	<b>298,397</b>	<b>7,112</b>	<b>2.4%</b>
<b>TOTAL ADMINISTRATION</b>	<b>759,139</b>	<b>883,013</b>	<b>913,698</b>	<b>864,865</b>	<b>922,056</b>	<b>57,191</b>	<b>6.6%</b>

**TOWN COUNCIL**

**MISSION STATEMENT**

The members of the Town Council are the municipal officers of the Town of Kittery and have all powers and authority and perform all duties required of municipal officers under the laws of the State of Maine.

**DEPARTMENT ORGANIZATION**



**PERSONNEL SUMMARY**

<b>POSITION</b>	<b>FY18 Budget</b>	<b>FY19 Proposed</b>
Town Council (Stipend)	7	7
Town Manager (in Administration and Sewer Budgets)	N/A	N/A
Town Clerk (in Administration Budget)	N/A	N/A
<b>Total FTE</b>	N/A	N/A

**BUDGET OVERVIEW**

Members of the Town Council receive a stipend of \$20.00 for each meeting they attend. The FY19 Budget reflects no change in spending for any line item.

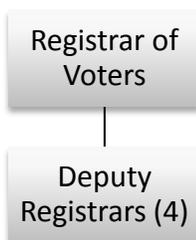
<b>TOWN COUNCIL</b>	<b>FY15</b>	<b>FY16</b>	<b>FY17</b>	<b>FY18</b>	<b>FY19</b>		
<b>101115</b>	<b>ACTUALS</b>	<b>ACTUALS</b>	<b>ACTUALS</b>	<b>BUDGET</b>	<b>PROPOSED</b>	<b>VARIANCE</b>	<b>%</b>
64001 COUNCIL STIPEND	3,440	2,920	3,040	4,000	4,000	-	
65480 OTHER PROF SERVICES	2,205	2,495	1,896	3,000	3,000	-	
66037 COUNCIL EXPENSES	-	74		350	350	-	
<b>TOTAL TOWN COUNCIL</b>	<b>5,645</b>	<b>5,489</b>	<b>4,936</b>	<b>7,350</b>	<b>7,350</b>	<b>-</b>	<b>0%</b>

## ELECTIONS

### MISSION STATEMENT

The Town Clerk serves as the Registrar of Voters and is responsible for conducting fair elections and coordinating all elections activity in Kittery. This includes the administration of local, state and national elections along with the monitoring of candidate certifications and initiative petitions.

### DEPARTMENT ORGANIZATION



### PERSONNEL SUMMARY

POSITION	FY18 Budget	FY19 Proposed
Registrar (Town Clerk)	1	1
Deputy Registrars (PT as needed)	4	4
<b>Total FTE</b>	N/A	N/A

### BUDGET OVERVIEW AND RECOMMENDATION

The FY2019 budget is increasing \$1,500 and includes funds for three elections. The November election will involve gubernatorial, municipal, and potential state referendum elections. The June ballot will include the annual town meeting by secret ballot, the school budget validation and potential state referendum elections. This budget also includes funds for a potential special municipal election, which is budgeted as an annual anticipated cost, though not often used.

Printing is being increased to reflect actual historical cost and to capture anticipated cost increases in the coming year.

It is unclear how great of an impact rank choice voting will have on municipal election costs. Additional voting machines may be needed to handle the rank choice ballot and more staff may be required to assist voters during elections. The town will have a better idea of the impacts after the June 2018 election.

<b>ELECTIONS</b>	<b>FY15</b>	<b>FY16</b>	<b>FY17</b>	<b>FY18</b>	<b>FY19</b>		
<b>101130</b>	<b>ACTUALS</b>	<b>ACTUALS</b>	<b>ACTUALS</b>	<b>BUDGET</b>	<b>PROPOSED</b>	<b>VARIANCE</b>	<b>%</b>
64020 PART TIME SALARIES/VOTER REG/ELECTIONS	1,513	1,592	1,928	2,000	2,500	500	
65010 ELECTION EXPENSES	-	-	-	1,000	-		
65010 POSTAGE	223	99	557	600	600	-	
65060 PRINTING	3,820	3,847	4,068	3,500	4,500	1,000	
65480 OTHER PROFESSIONAL SERVICES	2,256	2,533	2,872	4,050	4,050	-	
66010 OFFICE SUPPLIES	69	16	187	150	150	-	
67500 CAPITAL OUTLAY ELECTIONS	872	-	-	-	-	-	
67510 OFFICE FURNITURE & EQUIPMENT	-	1,871	-	-	-	-	
<b>TOTAL ELECTIONS</b>	<b>8,752</b>	<b>9,957</b>	<b>9,611</b>	<b>11,300</b>	<b>11,800</b>	<b>1,500</b>	<b>13.3%</b>

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## SHARED EXPENSES

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### DESCRIPTION

Shared expenses represent costs that are shared by all departments. These items are generally non-discretionary; meaning they are part of the mandatory costs associated with an operation that employs people and owns property.

Though this is the first time the Shared Expenses budget is being presented, it does not reflect new spending. The costs in prior years were assigned to each specific department budget. To allow for an accurate comparison with historical expenditures, the shared expenses costs have been removed from the historic actuals in each department.

Creating a combined Shared Expenses budget allows for a better understanding of the impact of cost increases in health plans or retirement assessments have on the overall operational costs of the town. This approach also directly recognizes that items such as FICA, Workers Compensation Insurance, health benefits for full-time employees, and retirement benefits are either federally mandated or negotiated through collective bargaining agreements. No one department has control over these costs, nor can any department head choose to forgo spending in these specific items.

### EMPLOYEE BENEFITS & INSURANCE

The total increase for Employee Benefits and Insurance is \$319,813, or 13.7%.

Maine State Retirement costs are increasing \$101,330, or 26.8% over the prior year. The increase reflects in part a correction to the projections used in FY18. The increase is also a factor of the retirement contribution requirements increasing between 2% and 7%, depending on the employee's assigned retiree group.

Major Medical is projected to increase \$115,130, or 11.3%. This reflects a 2% increase in the health insurance provided through Allegiant (union employees) and an 11% increase in MMA insurance (non-union employees). It also reflects changes that have occurred in plan election (employees moving from single plans to multi-person plans) in the prior fiscal year.

Retiree Medical is projected to increase \$77,459, or 57.4%. The town calculation is based on an additional four retirees that have happened or are planned between FY18 and FY19. It also reflects inclusion of a beneficiary who was discovered to be erroneously left off of the plan between FY17 and FY18.

Workers compensation is up 11.3%, or approximately \$18,965. This increase is consistent with the prior year and reflects a higher than desirable experience modification rate. The Town Council has established a goal for the Town Manager to prioritize employee safety and reduce workers compensation costs. Investment in capital, including replacement of equipment will advance this goal. The administration has reconstituted the Safety Committee which meets

regularly to review workplace injury cases and identify safety improvements to prevent and lessen employee injuries. The town has applied for \$8,000 in grants for safety equipment and ergonomic equipment to further reduce the potential for injury.

	FY15	FY16	FY17	FY18	FY19		
<b>EMPLOYEE BENEFITS &amp; INSURANCE</b>	<b>ACTUALS</b>	<b>ACTUALS</b>	<b>ACTUALS</b>	<b>BUDGET</b>	<b>PROPOSED</b>	<b>VARIANCE</b>	<b>%</b>
64050 MAINE STATE RETIREMENT	299,823	347,817	370,402	377,938	479,268	101,330	26.8%
64051 ICMA EMPLOYER SHARE	27,350	28,275	23,138	38,804	28,426	(10,378)	-26.7%
64060 FICA EMPLOYER SHARE	323,517	324,612	344,953	365,812	388,905	23,093	6.3%
64070 WORKERS COMPENSATION	97,006	140,436	165,773	167,622	186,587	18,965	11.3%
64090 MAJOR MEDICAL INSURANCE	874,536	865,601	938,887	1,019,403	1,134,533	115,130	11.3%
64091 DENTAL INSURANCE	7,278	7,891	8,289	11,812	13,845	2,033	17.2%
64092 DISABILITY INSURANCE	22,588	21,626	23,704	26,142	28,756	2,614	10.0%
64090 RETIRED EMPLOYEE MEDICAL/DENTAL	93,125	137,277	152,230	134,847	212,306	77,459	57.4%
65101 MMA RISK POOL (PROP & CASUALTY)	125,696	131,834	138,212	164,172	170,949	6,777	4.1%
66036 SELF INSURANCE CLAIMS	92,310	23,013	18,520	13,000	-	(13,000)	-100.0%
65115 UNEMPLOYMENT COMPENSATION	4,965	62	1,151	4,500	-	(4,500)	-100.0%
65150 MISCELLANEOUS INSURANCE LIFE E	3,970	3,835	4,194	4,410	4,600	190	4.3%
65210 UNION CENTRAL LIFE INS	2,452	2,340	2,381	2,500	2,600	100	4.0%
<b>BENEFITS AND INSURANCE</b>	<b>1,974,614</b>	<b>2,034,617</b>	<b>2,191,835</b>	<b>2,330,962</b>	<b>2,650,775</b>	<b>319,813</b>	<b>13.7%</b>

## DEBT SERVICE

### BUDGET OVERVIEW

The overall General Fund Debt Service is decreasing \$21,127, or 2.5% in FY2019. This is attributed to the savings from the Fire Station Bond Refunding, which was not reflected in the FY18 budget, as well as the natural decrease in interest costs as principal is amortized each year.

The current Capital Improvement Plan does not project a need for additional bonding during FY19. The town expects the facility needs of the Rice Public Library will necessitate bonding in later years. There are currently three committees established to address the future of the Library and determine the best course of action moving forward.

DEBT SERVICE	FY15	FY16	FY17	FY18	FY19	
101230	ACTUALS	ACTUALS	ACTUALS	BUDGET	PROPOSED	VARIANCE
68057 RUSTLEWOOD FARM - PRINC		6,043	6,076	-	6,199	6,199
68065 2006 FIRE STATION BOND	155,000	155,000	125,000	125,000	115,000	(10,000)
68066 2010 PW SALT SHED GO BOND PRIN	35,000	35,000	35,000	35,000	35,000	-
68067 2012 KCC BOND PRINC	275,000	275,000	275,000	275,000	275,000	-
68068 2015 CIP BOND PRINCIPAL			233,000	225,000	225,000	-
68069 KLT BRAVE BOAT HEADWATERS PRINC				-	11,463	11,463
68257 RUSTLEWOOD FARM INTEREST	4,034	4,272	4,239	-	4,116	4,116
68265 2006 FIRE STATION BOND INT	67,388	60,413	42,213	48,488	19,700	(28,788)
68268 2015 CIP BONDS INTEREST		28,350	42,830	38,250	33,750	(4,500)
68269 KLT BRAVE BOAT HEADWATERS INT			6,318	-	6,627	6,627
68295 PWD BLDG/SALT SHED BOND INT	18,075	17,375	16,675	15,975	15,231	(744)
68297 2012 KCC BOND INT	115,775	110,275	104,775	99,275	93,775	(5,500)
<b>DEBT &amp; INTEREST</b>	<b>670,272</b>	<b>691,728</b>	<b>891,126</b>	<b>861,988</b>	<b>840,861</b>	<b>(21,127)</b>

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## MISCELLANEOUS EXPENSES

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### DESCRIPTION

The Miscellaneous Expenses budget contains line items that do not fit neatly into other departmental categories or run across all departments. County tax, hydrant rental, and street lights are among the most-costly expenses paid through this section of the budget. Miscellaneous also includes the revenue offset for the three TIF Districts, and funding for state mandated General Assistance.

### BUDGET OVERVIEW

This budget is projected to have an overall decrease of 2.8%, or approximately \$47,008 from the prior year.

The annual County Tax assessment is increasing from \$847,186 to \$869,853. Offsetting this increase is the elimination of the County fiscal year conversion costs which were paid in full in the prior fiscal year. The net effect is a reduction in the County Tax expenditure of \$64,567.

Salary adjustments are projected to decrease \$70,000. The town's collective bargaining contracts are secured through FY20; resulting in a much lower amount required to address annual salary adjustments. Salary adjustments include non-union merit increases. Additionally, the town anticipates a reclassification associated with tax collection and reassessment of department head wage rates.

In the prior year it was discovered that the revenue offset for the town's three Tax Incentive Financing Districts (TIFs) was not properly calculated, resulting in a lower than required "expense". The FY19 budget reflects an accurate TIF offset, which is more than double the prior year's calculation. The expense is simply an offset that puts funds into a special revenue account that can only be used for specific expenditures associated with improvements in the districts. The TIF districts currently have a combined balance of \$425,785.

Computer repair and replacement is increasing \$17,000. Of this, \$12,000 is for the annual license and support of the town's new online permitting software. Online permitting was implemented in conjunction with the annual goal to increase access to services online. Customers can apply and pay online for certain code and administrative permits and track the progress of the application through the review, approval, and inspection phases.

The Mosquito/Tick/Weed control budget is increasing \$5,000 to reflect the cost of actual service. The vendor has been working with the town to manage the cost increases while still providing the services needed to control weeds along roadways and parks, and test and spray for ticks and mosquitos.

MISCELLANEOUS	FY15 ACTUALS	FY16 ACTUALS	FY17 ACTUALS	FY18 BUDGET	FY19 PROPOSED	VARIANCE	%
<b>101110 SALARY &amp; POSITION ADJUSTMENT</b>							
64031 SALARY & POSITION ADJUSTMENT	-	-	-	120,000	50,000	(70,000)	
<b>101330 STREETLIGHTS</b>							
65200 ELECTRICITY - STREETLIGHTS	109,563	126,389	115,805	120,000	110,000	(10,000)	
65300 MACHINE & EQUIPMENT MAINT	16,508	2,210	12,380	10,000	10,000	-	
67500 STREET LIGHT EQUIPMENT	-	-	21,683	-	-	-	
<b>101350 CIVIL PREPAREDNESS</b>							
65020 CIVIL PREPAREDNESS TELEPHONE/INTERNET	262	-	-	300	300	-	
65060 CIVIL PREPAREDNESS PRINTING	-	-	-	300	300	-	
66010 CIVIL PREPAREDNESS OFFICE SUPPLIES	-	-	-	100	100	-	
67507 CIVIL PREPAREDNESS EQUIPMENT	-	-	-	-	-	-	
<b>101520 GENERAL ASSISTANCE</b>							
65480 GENERAL ASSISTANCE	59,476	48,141	59,440	50,000	50,000	-	
<b>101530 PUBLIC HEALTH</b>							
64020 PUBLIC HEALTH SALARIES	522	528	520	520	520	-	
<b>101150 COUNTY TAX</b>							
65480 COUNTY TAX	908,475	912,948	909,420	934,420	869,853	(64,567)	
<b>101750 BANK FEES</b>							
65954 BANK FEES & CHARGES	443	691	557	600	600	-	
<b>101155 TIF DISTRICTS</b>							
65000 TIF FINANCING PLAN AMOUNT	40,482	60,901	60,901	60,901	125,000	64,099	
<b>101340 HYDRANTS</b>							
65300 HYDRANT RENT MACHINE & EQUIP M	215,979	224,348	246,775	254,179	261,804	7,625	
<b>101740 MISCELLANEOUS - GENERAL</b>							
65022 GROWTH MGMT/COMP PLAN	748	-	-	-	-	-	
65023 EPA STORMWATER 4 PROGRAM	18,939	17,673	17,125	18,750	19,600	850	
65025 COMPUTER REPAIR/REPLACEMENT	39,403	39,278	46,905	25,000	42,000	17,000	
65455 MEMORIAL DAY ACTIVITIES	703	-	732	675	700	25	
OLD COMPENSATED ABSENCES	45,715	-	-	-	-	-	
65950 SEACOAST SHIPYARD ASSOC	1,500	1,500	1,500	-	-	-	
65951 SHELLFISH CONSERVATION COMMISS	2,950	2,875	-	1,600	3,560	1,960	
66036 CONSERVATION COMMISSION	171	75	110	500	500	-	
68428 GRANT MATCHING FUNDS	12,500	37,000	22,647	-	-	-	
OLD TRANSFERS IN/OUT	250	-	-	-	-	-	
68525 MOSQUITO/TICK/WEEDS CONTROL PRGM	30,000	30,000	22,185	30,000	35,000	5,000	
68532 GIS WEB ACCOUNT	2,700	4,500	3,600	3,600	3,600	-	
69200 PSAP PAID TO YORK PD	26,068	26,068	26,068	27,000	28,000	1,000	
<b>TOTAL MISCELLANEOUS EXPENSES</b>	<b>1,533,356</b>	<b>1,535,124</b>	<b>1,568,352</b>	<b>1,658,445</b>	<b>1,611,437</b>	<b>(47,008)</b>	<b>-2.8%</b>

**PLANNING BOARD & BOARD OF APPEALS**

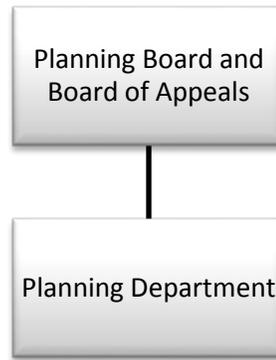
**MISSION STATEMENT**

The Town Planning Board is responsible for reviewing development plans and providing approval including special exception use requests. They are also responsible for planning and submitting the Comprehensive Plan to the Town Council and initiating its implementation through amendments to the zoning ordinance.

The Board of Appeals hears and decides on administrative decision appeals, variance applications and miscellaneous variation requests.

Both the Planning Board and Board of Appeals are supported by the Planning Department.

**DEPARTMENT ORGANIZATION**



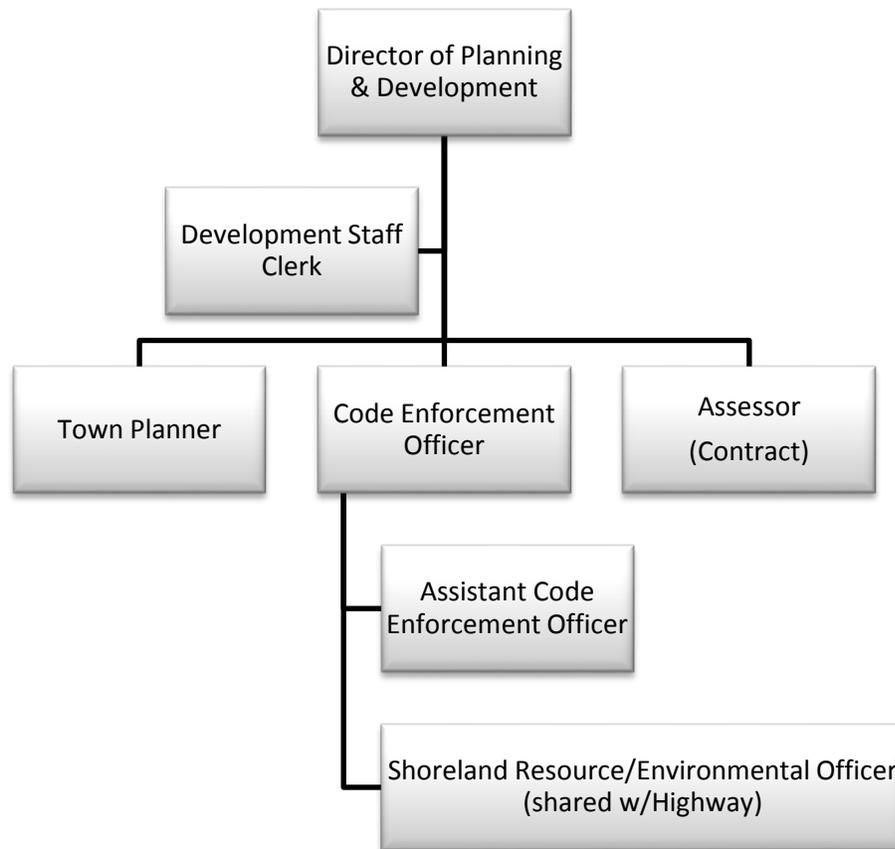
<b>PLANNING BOARD &amp; BOARD OF APPEALS</b>	<b>FY15</b>	<b>FY16</b>	<b>FY17</b>	<b>FY18</b>	<b>FY19</b>		
<b>101720</b>	<b>ACTUALS</b>	<b>ACTUALS</b>	<b>ACTUALS</b>	<b>BUDGET</b>	<b>PROPOSED</b>	<b>VARIANCE</b>	<b>%</b>
65010 POSTAGE	168	12	4	500	500	-	
65040 EDUCATIONAL/MEETING EXPENSES	150	632	295	1,750	1,750	-	
65060 PRINTING	-	30	415	500	500	-	
65080 LEGAL NOTICES & OTHER ADVERTIS	1,746	2,832	1,603	1,500	1,500	-	
65480 OTHER PROFESSIONAL SERVICES	3,833	2,175	2,795	7,300	5,000	(2,300)	
66010 OFFICE SUPPLIES	-	270	-	225	200	(25)	
66026 SMPDC MEMBERSHIP	4,175	4,300	4,654	4,562	4,699	137	
<b>TOTAL PLANNING BOARD &amp; BOARD OF APPEALS</b>	<b>10,072</b>	<b>10,251</b>	<b>9,765</b>	<b>16,337</b>	<b>14,149</b>	<b>(2,188)</b>	<b>-13.4%</b>

**PLANNING AND DEVELOPMENT**

**MISSION STATEMENT**

The Planning and Development Department works with residents and developers to manage change within the community. Recently reorganized, this department will be assuming a significant leadership role in planning for and implementing the town’s community and economic growth objectives. The department continues to provide oversight of building projects, permitting, valuation and enforcement of land use and health and safety regulations. The department provides professional support to the Planning Board, Board of Appeals, and Board of Assessment Review.

**DEPARTMENT ORGANIZATION**



**PERSONNEL SUMMARY**

<b>POSITION</b>	<b>FY18 Budget</b>	<b>FY19 Proposed</b>
Director of Planning & Development	0	1
Town Planner	1	1
Assistant Town Planner	1	0
Development Staff Clerk	1	1
Code Enforcement Officer	1	1
Assistant Code Enforcement Officer	1	1
Shoreland Resource/Environmental Officer	0.40	0.40
<b>Total FTE</b>	<b>5.40</b>	<b>5.40</b>

**BUDGET OVERVIEW**

The Planning and Development Department budget is comprised of the Planning, Code Enforcement and Assessing functions.

The overall proposed increase of this combined planning, code, and assessing department is \$44,158, or 10%.

The town was still in union negotiations at the time the FY18 budget was adopted. Therefore, the wages shown in FY18 did not reflect the cost of living or merit increases anticipated for that fiscal year. At the conclusion of negotiations, the Council approved a 2.0% cost of living increase for FY18 and a 2.25% in FY19. These two increases are also reflected in FY19 wages and result in an overstated annual projection of wage increases.

The Director of Planning and Development position and the subsequent reorganization of the department are also contributing factors to the increase. Though the full-time equivalents for the department have not changed, the relative level of professional planning expertise in the department is increasing. This reorganization directly corresponds to the town’s goal to foster and support economic and community development. Investment in the Director position and the Planner position is expected to reap benefits in the growth of valuation for the town, and the long-term management of the tax rate.

Assessing includes \$10,000 for the next phase of the property revaluation project. The prior year’s efforts revealed \$1M in additional personal property value in town and generated an additional \$16,000 in tax revenue. The FY19 focus will remain on personal property. It is likely that in FY20, the focus will shift to a real estate revaluation. Currently real estate valuations (the values the town taxes are based on) are approximately only 89% of market value. The goal is to maintain a steady valuation between 95% to 99% of market value over time.

<b>PLANNING &amp; CODE ENFORCEMENT</b>	<b>FY15</b>	<b>FY16</b>	<b>FY17</b>	<b>FY18</b>	<b>FY19</b>		
<b>101721</b>	<b>ACTUALS</b>	<b>ACTUALS</b>	<b>ACTUALS</b>	<b>BUDGET</b>	<b>PROPOSED</b>	<b>VARIANCE</b>	<b>%</b>
NEW DIRECTOR OF PLANNING AND DEVELOPMENT	-	-	-	-	97,138	97,138	
64006 PLANNER SALARY	81,065	73,792	75,216	75,254	55,000	(20,254)	
64005 CODE ENFORCEMENT SALARY	51,683	62,409	62,519	62,546	65,806	3,260	
64010 DEVELOPMENT STAFF CLERK	-	-	23,695	22,576	24,727	2,151	
64017 ASSISTANT PLANNER	37,895	37,508	46,261	46,280	-	(46,280)	
64018 ASST CODE ENFORCEMENT OFFICER	48,069	48,273	47,381	49,057	51,879	2,822	
64020 SHORELAND RESOURCE OFFICER	50	13,629	18,020	18,512	19,307	795	
64020 PART-TIME SALARIES	10,215	-	-	-	-	-	
64030 OVERTIME	909	760	428	800	-	(800)	
<b>Total Personal Services</b>	<b>229,886</b>	<b>236,371</b>	<b>273,520</b>	<b>275,025</b>	<b>313,857</b>	<b>38,832</b>	<b>14%</b>
65010 POSTAGE	178	298	210	125	200	75	
65020 TELEPHONE & INTERNET	702	1,098	1,347	1,320	1,350	30	
65030 TRANSPORTATION	456	14	19	1,100	1,000	(100)	
65040 EDUCATIONAL/MEETING EXPENSES	785	661	710	2,350	2,500	150	
65060 PRINTING	1,110	274	497	600	600	-	
65080 LEGAL NOTICES & OTHER ADVERTIS	447	-	-	-	-	-	
65300 MACHINE & EQUIPMENT MAINT	813	1	7,686	-	4,000	4,000	
65310 VEHICLE MAINTENANCE	179	-	-	500	250	(250)	
65311 GAS, GREASE & OIL	-	526	479	600	500	(100)	
65400 LEGAL SERVICES	14,251	9,724	11,360	10,000	10,000	-	
65480 OTHER PROFESSIONAL SERVICES	4,010	88	-	5,000	5,000	-	
65521 UNIFORMS	-	300	273	450	450	-	
66010 OFFICE SUPPLIES	751	1,013	578	1,000	1,000	-	
66020 BOOKS/SUBSCRIPTIONS	-	318	661	900	750	(150)	
66030 OTHER SUPPLIES	273	584	123	500	500	-	
67510 OFFICE FURNITURE & EQUIPMENT	-	642	-	500	500	-	
<b>Total Expenses</b>	<b>23,955</b>	<b>15,541</b>	<b>23,944</b>	<b>24,945</b>	<b>28,600</b>	<b>3,655</b>	<b>15%</b>
<b>TOTAL PLANNING &amp; CODE ENFORCEMENT</b>	<b>253,841</b>	<b>251,912</b>	<b>297,464</b>	<b>299,970</b>	<b>342,457</b>	<b>42,487</b>	<b>14.2%</b>

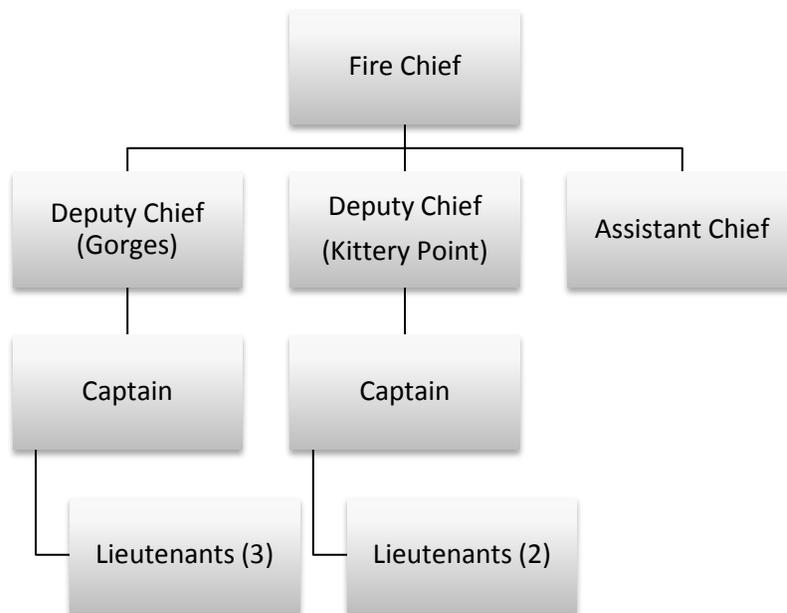
<b>ASSESSING</b>	<b>FY15</b>	<b>FY16</b>	<b>FY17</b>	<b>FY18</b>	<b>FY19</b>	<b>VARIANCE</b>	<b>%</b>
<b>101210</b>	<b>ACTUALS</b>	<b>ACTUALS</b>	<b>ACTUALS</b>	<b>BUDGET</b>	<b>PROPOSED</b>		
64002 ASSESSOR SALARY	81,555	3,597	-	-	-	-	
64010 DEVELOPMENT STAFF CLERK	35,994	30,519	13,916	15,051	14,522	(529)	
64020 PART TIME SALARIES	624	-	-	-	-	-	
<b>Total Personal Services</b>	<b>118,174</b>	<b>34,117</b>	<b>13,916</b>	<b>15,051</b>	<b>14,522</b>	<b>(529)</b>	<b>-3.5%</b>
65010 POSTAGE	390	269	695	400	400	-	
65030 TRANSPORTATION	386	108	-	250	250	-	
65040 EDUCATIONAL/MEETING EXPENSES	662	242	-	500	500	-	
65060 PRINTING	375	-	469	300	300	-	
65070 MAPS	3,636	-	3,507	5,000	5,500	500	
65410 COMPUTER SERVICES	6,705	-	8,575	8,000	8,500	500	
65411 BOARD OF ASSESSMENT REVIEW	-	-	100	200	200	-	
65423 PERSONAL PROPERTY EVAL. SERVICES	-	-	-	10,000	10,000	-	
65425 VISION INTERNET	4,450	3,412	2,250	2,750	2,750	-	
65480 OTHER PROFESSIONAL SERVICES	3,530	62,645	100,339	98,850	100,000	1,150	
OLD UNIFORMS	115	-	-	-	-	-	
66010 OFFICE SUPPLIES	540	334	74	100	100	-	
66020 BOOKS/SUBSCRIPTIONS	265	-	-	200	200	-	
66035 ABSTRACTS & LIENS TRANSFERS	884	558	884	750	800	50	
<b>Total Expenses</b>	<b>21,936</b>	<b>67,567</b>	<b>116,892</b>	<b>127,300</b>	<b>129,500</b>	<b>2,200</b>	<b>1.7%</b>
<b>TOTAL ASSESSING</b>	<b>140,110</b>	<b>101,684</b>	<b>130,809</b>	<b>142,351</b>	<b>144,022</b>	<b>1,671</b>	<b>1.2%</b>

**FIRE DEPARTMENT**

**MISSION STATEMENT**

The Kittery Fire Department provides services for the preservation and protection of life, property and environment. The department protects the community from the adverse effects of fire, medical emergencies, hazardous material incidents and natural disasters. The department focuses its efforts by providing rapid, professional and humanitarian service essential in keeping the community healthy and safe.

**DEPARTMENT ORGANIZATION**



**PERSONNEL SUMMARY**

POSITION	FY18 Budget	FY19 Proposed
Fire Chief	1	1
Part-Time Firefighters and Officers	6.4	6.4
<b>Total FTE</b>	<b>7.4</b>	<b>7.4</b>

**BUDGET OVERVIEW**

The Kittery Fire Department depends upon trained call staff members who respond to emergencies on an as-needed basis. In addition, they attend regular trainings, maintain the fire facilities and vehicles, and conduct fire prevention outreach efforts.

The prior year’s budget identified a growing challenge with staffing a call fire department. The challenges to attracting and retaining call firefighters include time demands required to maintain the necessary skills, availability to respond to incidents, employers less willing to allow staff to leave work to respond to calls, employees working greater distances from the community, and the impact on volunteers’ careers and families.

Safe fire response generally requires a minimum of nine firefighters and one incident commander, for a total of 10. Though experience has slightly improved over the prior year, the town is still unable to get the 10-person response on calls during certain months, on certain days of the week, and at certain times. The improvements are not necessarily seen as a trend that will be sustained in the coming years without taking steps to address it.

**2017 Average Response by Month, Day of Week, and Time**

Firefighters per Call		Day of the Week		
Month	Firefighters per Call	12AM - 8AM	8AM - 4PM	4PM - 12PM
January	13.2	10.0	11.4	13.0
February	12.0	10.6	11.2	14.1
March	11.9	8.5	9.8	14.6
April	12.7	11.0	9.6	12.6
May	11.6	9.0	9.9	12.3
June	11.5	11.2	9.2	11.5
July	11.5	11.5	9.8	12.0
August	9.5			
September	9.7			
October	10.0			
November	9.9			
December	10.5			

The department budget is projected to increase \$28,004, or approximately 9.21%.

The Council directed the Town Manager to work with the Fire Chief to develop options to address the shortfalls in responding personnel. The FY19 budget includes, for the first time, additional funds of \$18,144 for a per diem on-call program. The program will pay firefighters to be in Kittery and ready to respond during those times of year, and on such days as it is most challenging to get a sufficient response. The plan will place two firefighters on-call responding from the Gorges Road Station. Firefighters who agree to be on-call will receive a stipend, in addition to any pay for actual hours in service if fire response is needed. The stipend is compensation for the requirement to remain local and be available.

Wages are increasing as well. The town was still in union negotiations at the time the FY18 budget was adopted. Though the department is entirely non-union, annual wage increases follow negotiated union increases. Therefore, the wages shown in FY18 did not reflect the cost of living or merit increases anticipated for that fiscal year. At the conclusion of negotiations, the Council approved a 2.0% cost of living increase for FY18 and a 2.25% in FY19. These two

increases are reflected in FY19 wages and result in an overstated annual projection of wage increases.

Machine and equipment maintenance is increasing \$4,500 to reflect actual annual costs experienced in this line item. Costs for tires and tubes have been incorporated into the FY19 budget to reflect anticipated maintenance and replacement of these items.

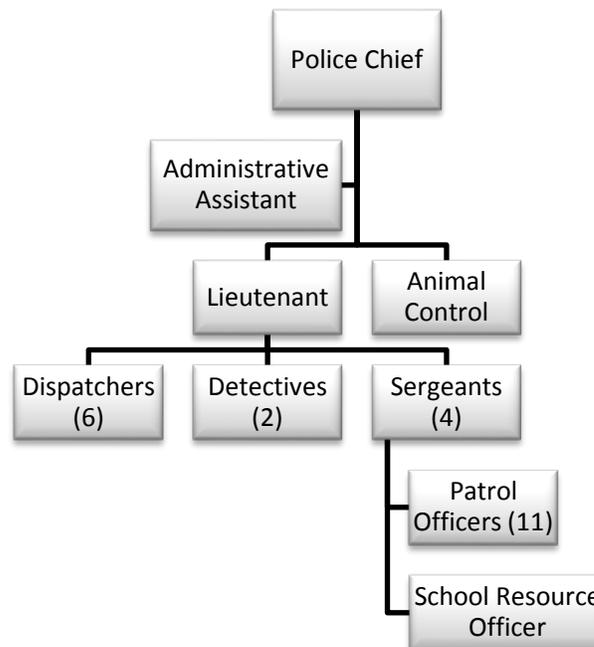
<b>FIRE</b>		<b>FY15</b>	<b>FY16</b>	<b>FY17</b>	<b>FY18</b>	<b>FY19</b>		
<b>101320</b>		<b>ACTUALS</b>	<b>ACTUALS</b>	<b>ACTUALS</b>	<b>BUDGET</b>	<b>PROPOSED</b>	<b>VARIANCE</b>	<b>%</b>
64003	FIRE CHIEF SALARY	44,391	49,167	52,788	52,788	55,459	2,671	
64020	PART TIME SALARIES	100,940	142,976	139,642	132,318	135,295	2,977	
	NEW ON-CALL FIREFIGHTING PAY					18,144	18,144	
64095	ACCIDENT & HEALTH	-	1,938	1,938	1,938	1,938	-	
	<b>Total Personal Services</b>	<b>145,331</b>	<b>194,080</b>	<b>194,367</b>	<b>187,044</b>	<b>210,837</b>	<b>23,793</b>	<b>12.7%</b>
64050	POSTAGE	10	22	2	-		-	
65020	TELEPHONE & INTERNET	7,352	7,568	7,701	7,680	8,340	660	
65040	EDUCATIONAL/MEETING EXPENSES	1,223	2,187	1,518	2,034	2,034	-	
64045	TRAINING	4,360	7,646	3,793	5,000	5,000	-	
65046	HEALTH/PHYSICAL	1,393	1,486	1,200	2,778	2,778	-	
65080	LEGAL NOTICES/OTHER ADVERTISE		175	-	-		-	
65200	ELECTRICITY	9,901	10,958	11,318	10,091	10,100	9	
65220	WATER	254	269	288	293	302	9	
65230	FUEL OIL	29,277	25,972	20,034	20,000	17,000	(3,000)	
65250	SEWER	305	300	300	300	300	-	
65300	MACHINE & EQUIPMENT MAINT	24,852	27,650	34,157	24,529	29,029	4,500	
65302	PROTECTIVE & SAFETY EQUIPMENT	3,162	1,445	1,964	2,892	3,120	228	
65311	GAS, GREASE & OIL	8,835	7,079	6,353	7,250	7,250	-	
65312	TIRES & TUBES	1,541	-	-	-	2,600	2,600	
65330	RADIO MAINTENANCE	5,471	5,451	3,751	5,907	4,657	(1,250)	
65480	OTHER PROFESSIONAL SERVICES	3,884	2,011	7,815	7,016	7,056	40	
65500	MAINTENANCE OF BLDG/GROUNDS	16,988	9,687	9,117	15,120	15,335	215	
66010	OFFICE SUPPLIES	499	568	193	672	672	-	
66020	BOOKS/SUBSCRIPTIONS/DUES	224	-		200	200	-	
66040	JANITORIAL SUPPLIES & SERVICES	617	418	727	600	600	-	
67505	EXTINGUISHER MAINTENANCE	738	-	178	300	500	200	
67515	LANTERNS & BATTERIES	95	279	108	200	200	-	
67520	OPERATING EQUIPMENT	2,260	4,579	1,999	4,000	4,000	-	
	<b>Total Expenses</b>	<b>123,242</b>	<b>115,749</b>	<b>112,516</b>	<b>116,862</b>	<b>121,073</b>	<b>4,211</b>	<b>3.6%</b>
	<b>TOTAL FIRE</b>	<b>268,573</b>	<b>309,830</b>	<b>306,883</b>	<b>303,906</b>	<b>331,910</b>	<b>28,004</b>	<b>9.2%</b>

## POLICE DEPARTMENT

### MISSION STATEMENT

The Kittery Police Department works in partnership with the community to enforce the law, preserve the peace and protect the rights, lives and property of all people. As guardians of the community, the department strives to ensure a high quality of life in a respectful, fair and compassionate manner.

### DEPARTMENT ORGANIZATION



### PERSONNEL SUMMARY

POSITION	FY18 Budget	FY19 Proposed
Chief	1	1
Lieutenant	1	1
Sergeants	4	4
Detective	2	2
Patrol Officer	11	11
School Resource Officer	1	1
Lead Dispatcher	0	1
Dispatcher	6	5
Animal Control Officer	0.75	0.75
Administrative Assistant	1	1
<b>Total FTE</b>	<b>27.75</b>	<b>27.75</b>

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**BUDGET OVERVIEW**

The overall Police budget is projected to increase by \$110,513, or 5.21%.

Wages represent the bulk of the total budget increase, \$102,822 or 5.41%.

The town was still in union negotiations at the time the FY18 budget was adopted. Therefore, the wages shown in FY18 did not reflect the cost of living or merit increases anticipated for that fiscal year. At the conclusion of negotiations, the Council approved a 2.0% cost of living increase for FY18 and a 2.25% in FY19. These two increases are reflected in FY19 wages and result in an overstated annual projection of wage increases. Additionally, personnel costs include the negotiated new physical fitness stipend, changes in the night differential, and the development of the Lead Dispatcher position.

The wage increases are partially offset by a decrease in DEA Overtime due to the phasing out of this arrangement with the Drug Enforcement Agency Office. The town's commitment will end in September 2018.

The budget also reflects a fundamental change in how outside details expenses are tracked. Outside Details have historically outpaced the budget due to the unpredictability of details performed at the request of outside entities. These details are paid for directly by the requesting entity. The revenue has been shown in the general fund revenue projections, while the expense has been fully absorbed by the department.

In FY18, a separate fund was setup to manage both the cost of outside details and the fee revenue. This separation from the department operating budget will improve oversight of the service fee collection and relieve the department of having to cover in its operating budget the unpredictable cost for outside details. What remains in this line item is the cost for town requested details for events such as parades, the Block Party, and other needs that do not result in an offsetting revenue.

Non-personnel expenses are increasing \$7,691, or 3.52%. The annual operating costs for the radio tower at Mitchell School have been historically charged to the Public Safety Impact fund. The Public Safety Impact fund is for capital expenditures only and cannot be used to support annual operating expenses. Therefore, the costs have been added to the operating budget.

The budget also includes \$4,400 in Machine and Equipment maintenance for increased costs in radio maintenance and for licensing of a new cloud-based back-up to the server. The management of the department's servers are paramount as crypto-type attacks continue to plague municipal law enforcement systems.

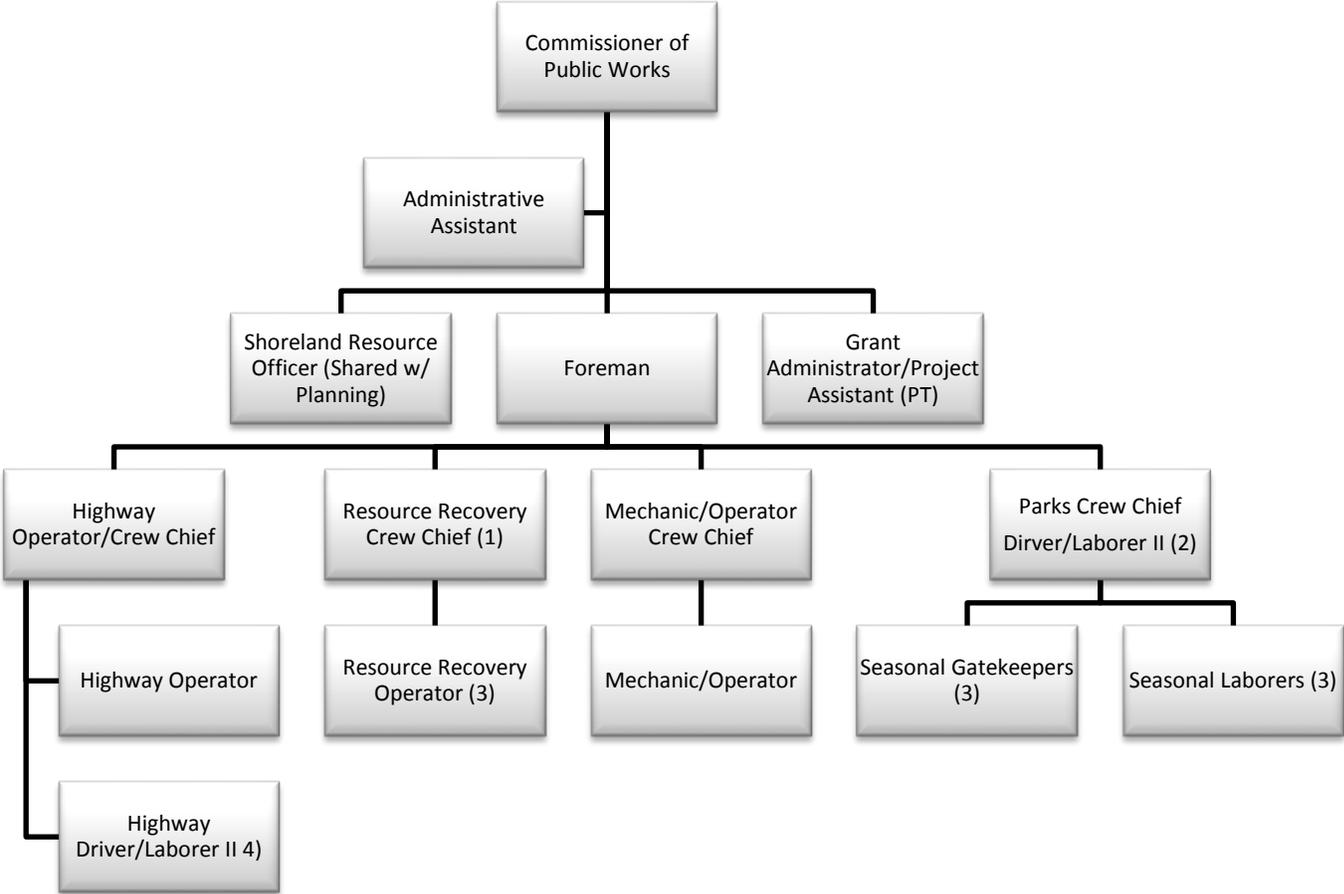
<b>POLICE</b>	<b>FY15</b>	<b>FY16</b>	<b>FY17</b>	<b>FY18</b>	<b>FY19</b>		
<b>101310</b>	<b>ACTUALS</b>	<b>ACTUALS</b>	<b>ACTUALS</b>	<b>BUDGET</b>	<b>PROPOSED</b>	<b>VARIANCE</b>	<b>%</b>
64002 POLICE CHIEF FT SALARY	-	10,962	95,000	97,390	99,811	2,421	2.49%
64003 POLICE CHIEF SHARED SAL/BENES	86,486	93,495	-	-	-	-	-
64012 SERGEANTS SALARIES	207,785	227,748	260,985	297,245	310,236	12,991	4.37%
64013 SCHOOL RESOURCE OFFICER	53,973	44,969	58,195	61,565	64,196	2,631	4.27%
64014 DETECTIVES SALARIES	120,998	131,235	126,164	133,464	140,188	6,724	5.04%
64015 PATROLMEN SALARIES	644,862	663,069	633,256	652,886	689,100	36,214	5.55%
64016 DISPATCHER SALARIES	303,684	290,476	277,586	295,826	323,183	27,357	9.25%
64017 ADMINISTRATIVE ASSISTANT	18,447	18,904	39,369	43,950	46,197	2,247	5.11%
64021 MATRON SALARY	889	764	161	-	-	-	-
64022 ANIMAL CONTROL OFFICER SALARY	15,105	30,350	30,160	30,160	31,668	1,508	5.00%
64023 LIEUTENANT SALARY	75,443	67,494	52,981	72,500	75,608	3,108	4.29%
64024 NIGHT DIFFERENTIAL	14,190	13,304	14,070	14,728	17,537	2,809	19.07%
NEW PHYSICAL FITNESS STIPEND					5,400	5,400	-
64027 CUSTODIAN WAGES	13,311	13,004	12,558	13,104	14,504	1,400	10.68%
64030 OVERTIME	187,258	221,551	172,331	160,000	175,000	15,000	9.38%
64032 DEA OVERTIME	21,241	21,771	26,946	22,000	5,703	(16,297)	-74.08%
64033 SICK TIME BUY BACK	-	-	2,128	2,485	3,015	530	21.32%
64035 OUTSIDE DETAIL	19,151	8,983	21,564	4,956	3,736	(1,220)	-24.61%
<b>Total Personal Services</b>	<b>1,782,824</b>	<b>1,858,078</b>	<b>1,823,454</b>	<b>1,902,259</b>	<b>2,005,081</b>	<b>102,822</b>	<b>5.41%</b>
65010 POSTAGE	471	615	502	500	530	30	6.00%
65020 TELEPHONE & INTERNET	20,550	21,182	19,328	19,209	21,025	1,816	9.45%
65030 TRANSPORTATION	1,336	1,090	1,831	1,800	1,800	-	0.00%
65040 EDUCATIONAL/MEETING EXPENSES	12,578	8,931	18,031	14,000	15,000	1,000	7.14%
65060 PRINTING	758	977	626	600	800	200	33.33%
65080 LEGAL NOTICES/OTHER ADVERTISE	127	1,936	1,280	380	690	310	81.45%
65200 ELECTRICITY	13,658	18,774	20,861	15,000	15,000	-	0.00%
65220 WATER	400	507	417	530	545	15	2.83%
65230 FUEL OIL	9,278	5,953	6,284	5,400	5,400	-	0.00%
65240 DUMPSTERS	736	749	749	750	750	-	0.00%
65250 SEWER	190	260	280	240	250	10	4.17%
65300 MACHINE & EQUIPMENT MAINT	33,906	32,212	30,401	34,656	39,068	4,412	12.73%
65310 VEHICLE MAINTENANCE	80,900	73,822	56,912	32,738	31,450	(1,288)	-3.93%
65311 GAS, GREASE, OIL, & TIRES	-	-	-	42,356	41,927	(429)	-1.01%
65420 TECHNICAL SUPPORT						-	-
65470 DOG EXPENSE	1,905	165	645	600	750	150	25.00%
65480 OTHER PROFESSIONAL SERVICES		2,550	6,738	625	1,425	800	128.00%
65500 MAINTENANCE OF BLDG/GROUNDS	4,490	4,270	5,739	4,400	4,900	500	11.36%
65521 UNIFORMS	20,977	18,049	22,428	17,000	18,820	1,820	10.71%
65523 K-9 EXPENSES	292	638	96	-	-	-	-
66010 OFFICE SUPPLIES	4,494	4,106	3,188	4,000	4,000	-	0.00%
66020 BOOKS/SUBSCRIPTIONS	2,732	2,809	2,931	1,555	2,500	946	60.82%
66030 OTHER SUPPLIES	11,512	13,506	7,000	2,200	3,200	1,000	45.45%
66032 ARMORY SUPPLIES	-	-	-	8,500	8,500	-	0.00%
66040 JANITORIAL SUPPLIES & SERVICES	1,794	1,673	1,655	1,200	1,700	500	41.67%
67510 OFFICE FURNITURE & EQUIPMENT	1,798	678	1,344	1,000	1,000	-	0.00%
67517 BULLET PROOF VESTS	780	1,234	4,577	9,400	5,300	(4,100)	-43.62%
<b>Total Expenses</b>	<b>225,663</b>	<b>216,685</b>	<b>213,843</b>	<b>218,639</b>	<b>226,330</b>	<b>7,691</b>	<b>3.52%</b>
<b>TOTAL POLICE</b>	<b>2,008,488</b>	<b>2,074,763</b>	<b>2,037,297</b>	<b>2,120,898</b>	<b>2,231,411</b>	<b>110,513</b>	<b>5.21%</b>

**DEPARTMENT OF PUBLIC WORKS**

**MISSION STATEMENT**

The Department of Public Works endeavors to maintain the town’s roadways and drainage infrastructure to enable safe and convenient travel within town; to maintain the town’s parks and open spaces for the enjoyment of residents and visitors; and to maintain an efficient means of meeting town waste disposal and recover needs.

**DEPARTMENT ORGANIZATION**



**PERSONNEL SUMMARY**

<b>POSITION</b>	<b>FY18 Budget</b>	<b>FY19 Proposed</b>
Commissioner of Public Works	1	1
Administrative Assistant	1	1
Foreman	1	1
Mechanic/Operator	2	2
Highway Equipment Operator	2	2
Highway Driver/Laborer II	4	4
Parks Driver/Laborer II	2	2
Parks Seasonal	3	3
Resource Recovery Operators	3	4
Resource Recovery Seasonal	0.5	0
Grant Administrator	0.5	0.5
PT Stormwater Coordinator (Shared with Planning)	0.6	0.6
<b>Total FTE</b>	<b>20.6</b>	<b>21.1</b>

**BUDGET OVERVIEW**

The Public Works budget is projected to increase a combined \$93,323, or 5.2%.

The town was still in union negotiations at the time the FY18 budget was adopted. Therefore, the wages shown in FY18 did not reflect the cost of living or merit increases anticipated for that fiscal year. At the conclusion of negotiations, the Council approved a 2.0% cost of living increase for FY18 and a 2.25% in FY19. These two increases are reflected in FY19 wages and result in an overstated annual projection of wage increases.

**Highway**

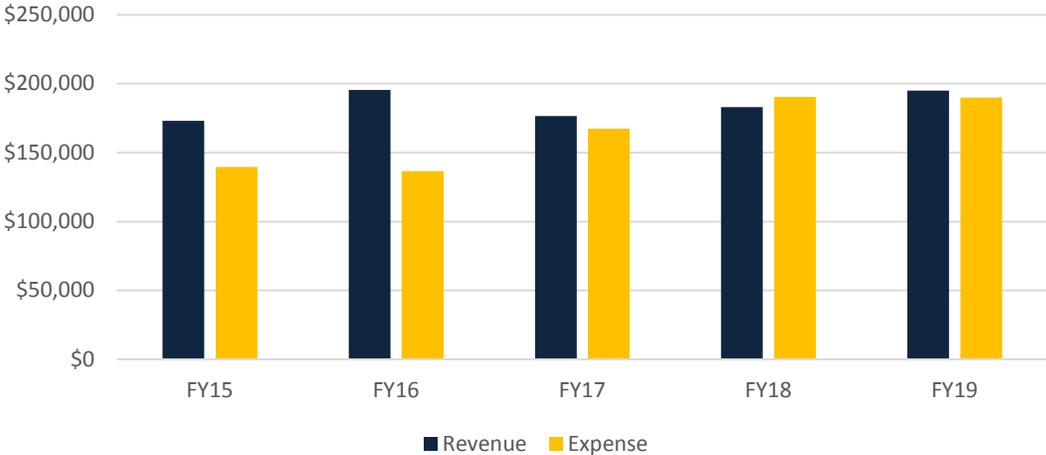
The Highway budget has a \$57,564 increase. Snow and ice operations are the primary source of the increase. The Snow and Ice Overtime is up \$5,000, and the salt budget has been increased to \$140,000. Salt expenditures have recently exceeded \$200,000. The town made a concerted effort to keep roads clear and safe throughout snow and ice events. This required a greater amount of salt product to be used. Though it is difficult to predict costs for weather-dependent operations, it is important to be realistic about the growing variability in the winter weather season. The \$30,000 increase in salt is appropriate given historic spending.

**Parks**

In Town Parks are expected to increase \$4,185. Fort Foster is increasing \$5,731 primarily reflective of contractual wage increases.

Attracting seasonal summer help is more challenging in the present full-employment economy. As this work is truly seasonal, it is not cost-effective to hire a full-time employee in lieu of pursuing other seasonal hiring options. The town is investigating opportunities to utilize J-1 Visa programs among other strategies.

**Fort Foster Revenue and Expenses**



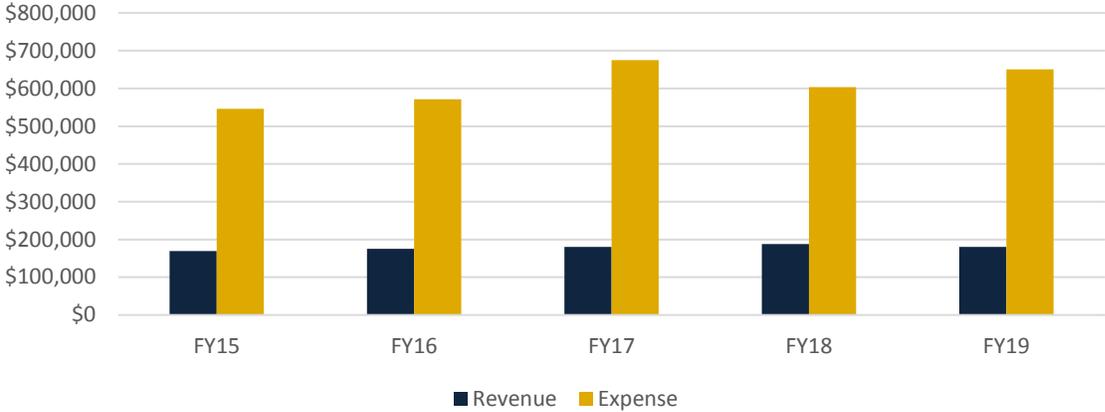
**Resource Recovery Center**

The Resource Recovery Center budget is projected to increase \$25,843. The increase is driven by contractual wage increases and the transition of a seasonal position to full-time.

For the past three years, the town has been hiring a seasonal position to help staff the RRC. Due to the Affordable Care Act restrictions, the position had been filled for 40 hours per week, for no more than 38 weeks; then quickly turned over with a new seasonal employee restricted to no more than 38 weeks. With the current low unemployment rate and the abundance of full-time jobs available, it is increasingly challenging to hire someone for 38 weeks at a time. The need for this position at the RRC is year-round. Therefore, the FY19 budget transitions the year-round seasonal position into a full-time position.

The budget also includes an \$11,000 increase in other professional services which covers our waste and recycling hauling and disposal. The market for recyclables is under strain. With China ending recyclable material imports from the United States, it is taking longer for resellers of the material to turnover product. Their storage costs are going up as product is stockpiling. In some cases, the resellers are finding it more cost effective to treat the material as trash, adding it to the trash-to-energy waste stream, or disposing of it in landfills. The town is working with its vendors to get the most advantageous contracts to control cost increases. The town is considering long-term options in case this drop in demand for recyclables becomes the industry norm.

**Resource Recovery Center**



<b>HIGHWAY 101410</b>	<b>FY15 ACTUALS</b>	<b>FY16 ACTUALS</b>	<b>FY17 ACTUALS</b>	<b>FY18 BUDGET</b>	<b>FY19 PROPOSED</b>	<b>VARIANCE</b>	<b>%</b>
64004 HIGHWAY 35% COMM SALARY	30,062	31,053	26,288	26,250	27,961	1,711	
64010 FULL TIME SALARIES	403,194	406,130	402,003	437,884	441,844	3,960	
64015 ADMINISTRATIVE ASSISTANT	43,636	46,122	46,306	46,322	48,682	2,360	
64020 PART TIME SALARIES	-	-	-	49,608	51,841	2,233	
64029 OVERTIME - SNOW & STORMS	85,320	27,505	79,403	70,000	75,000	5,000	
64030 OVERTIME	3,743	2,166	5,469	5,500	6,500	1,000	
<b>Total Personal Services</b>	<b>565,954</b>	<b>512,975</b>	<b>559,469</b>	<b>635,564</b>	<b>651,828</b>	<b>16,264</b>	<b>2.6%</b>
65010 POSTAGE	120	118	400	500	500	-	
65020 TELEPHONE & INTERNET	5,101	4,500	4,330	4,000	4,200	200	
65030 TRANSPORTATION	583	258	508	750	750	-	
65040 EDUCATIONAL/MEETING EXPENSES	1,265	1,440	1,406	5,000	4,000	(1,000)	
65060 PRINTING	580	457	481	600	600	-	
65080 LEGAL NOTICES/OTHER ADVERTISE	-	637	1,535	1,000	1,000	-	
65200 ELECTRICITY	6,476	5,382	6,193	4,000	4,000	-	
65220 WATER	421	511	559	2,000	2,300	300	
65230 FUEL OIL	6,487	2,042	2,456	7,000	7,000	-	
65250 SEWER	300	300	300	350	350	-	
65300 MACHINE & EQUIPMENT MAINT	19,496	14,703	15,969	18,000	18,000	-	
65302 PROTECTIVE & SAFETY EQUIPMENT	1,307	1,486	2,215	2,500	3,000	500	
65303 FACILITY SAFETY INSPECTION EXP	-	1,906	-	1,250	1,250	-	
65310 VEHICLE MAINTENANCE	14,264	32,807	15,611	16,000	16,000	-	
65311 GAS, GREASE & OIL	56,678	32,085	41,004	48,600	48,600	-	
65312 TIRES & TUBES	2,920	6,235	5,928	8,000	8,000	-	
65450 TARRING & PATCHING	8,219	15,768	11,299	6,000	10,000	4,000	
65452 SALT	143,969	91,489	124,256	110,000	140,000	30,000	
65454 SAND	1,728	144	-	2,100	2,100	-	
65456 GRAVEL & FILL	-	4,595	192	5,000	3,000	(2,000)	
65458 DRAINAGE SUPPLIES	798	8,271	2,244	5,000	5,000	-	
65460 SIGNS	3,847	8,400	8,662	10,000	10,000	-	
65462 STRIPING	24,582	20,392	24,425	30,000	32,000	2,000	
65466 SNOW REMOVAL EQUIP/PARTS	19,605	18,035	8,452	18,300	18,300	-	
65480 OTHER PROFESSIONAL SERVICES	1,016	6,037	7,461	25,000	25,000	-	
65500 MAINTENANCE OF BLDG/GROUNDS	5,514	4,225	1,759	3,000	6,500	3,500	
65501 OTHER PROF SVCS - STORM / SNOW	-	-	-	-	-	-	
65521 UNIFORMS	4,100	3,673	4,800	4,400	4,400	-	
65522 C.D.L PROGRAMS	689	453	602	950	850	(100)	
66009 SHOP SUPPLIES	16,649	21,827	15,103	13,000	15,000	2,000	
66010 OFFICE SUPPLIES	580	731	622	800	800	-	
66011 HAND TOOLS	160	964	91	600	600	-	
66020 BOOKS/SUBSCRIPTIONS	346	366	477	600	1,000	400	
66030 OTHER SUPPLIES	156	113	39	400	400	-	
66040 JANITORIAL SUPPLIES & SERVICES	5,680	5,629	7,108	6,000	6,500	500	
67514 PLANT EQUIPMENT	-	1,597	-	1,000	1,500	500	
67518 RENTAL EQUIPMENT	-	-	2,108	3,000	3,000	-	
67520 OPERATING EQUIPMENT	-	1,294	-	1,500	2,000	500	
67540 IMPROVEMENTS TO BLDGS/GROUND	-	188	468	2,000	2,000	-	
<b>Total Expenses</b>	<b>353,636</b>	<b>319,057</b>	<b>319,059</b>	<b>368,200</b>	<b>409,500</b>	<b>41,300</b>	<b>11.2%</b>
<b>TOTAL HIGHWAY</b>	<b>919,591</b>	<b>832,033</b>	<b>878,528</b>	<b>1,003,764</b>	<b>1,061,328</b>	<b>57,564</b>	<b>5.7%</b>

<b>PARKS</b>	<b>FY15</b>	<b>FY16</b>	<b>FY17</b>	<b>FY18</b>	<b>FY19</b>		
<b>101730</b>	<b>ACTUALS</b>	<b>ACTUALS</b>	<b>ACTUALS</b>	<b>BUDGET</b>	<b>PROPOSED</b>	<b>VARIANCE</b>	<b>%</b>
64007 PARKS 10% COMM SALARY	8,589	8,872	15,014	7,500	7,989	489	
64010 FULL TIME SALARIES	40,531	43,390	43,749	44,278	46,874	2,596	
64020 PART TIME SALARIES	28,510	31,314	30,635	28,080	28,600	520	
64030 OVERTIME	248	1,143	206	800	1,330	530	
<b>Total Personal Services</b>	<b>77,879</b>	<b>84,720</b>	<b>89,603</b>	<b>80,658</b>	<b>84,793</b>	<b>4,135</b>	<b>5.1%</b>
65020 TELEPHONE & INTERNET	31	-	-	-	-	-	
65040 EDUCATIONAL/MEETING EXPENSES	-	-	-	200	100	(100)	
65060 PRINTING	-	-	-	200	100	(100)	
65080 LEGAL NOTICES/OTHER ADVERTISE	-	428	-	250	150	(100)	
65200 ELECTRICITY	903	1,077	1,193	1,500	1,500	-	
65220 WATER	1,607	3,305	4,542	7,000	7,200	200	
65300 MACHINE & EQUIPMENT MAINT	1,917	5,202	1,343	2,000	2,000	-	
65302 PROTECTIVE & SAFETY EQUIPMENT	500	374	453	250	350	100	
65303 FACILITY SAFETY INSPECTION EXP	-	-	-	625	625	-	
65310 VEHICLE MAINTENANCE	861	1,778	2,977	1,000	1,000	-	
65311 GAS, GREASE & OIL	3,604	3,111	2,582	4,000	4,000	-	
65312 TIRES & TUBES	476	259	895	1,000	1,000	-	
65457 LOAM & SOD	305	3,684	354	3,000	3,000	-	
65480 OTHER PROFESSIONAL SERVICES	22,020	14,767	17,247	25,000	25,000	-	
65500 MAINTENANCE OF BLDG/GROUNDS	1,083	1,605	677	1,000	1,000	-	
65510 PAINTING	137	-	-	-	-	-	
65521 UNIFORMS	400	400	265	400	400	-	
66011 HAND TOOLS	127	217	208	150	150	-	
66030 OTHER SUPPLIES	222	259	81	100	150	50	
66040 JANITORIAL SUPPLIES & SERVICES	177	-	18	100	100	-	
67520 OPERATING EQUIPMENT	650	697	52	1,000	1,000	-	
<b>Total Expenses</b>	<b>35,019</b>	<b>37,162</b>	<b>32,885</b>	<b>48,775</b>	<b>48,825</b>	<b>50</b>	<b>0.1%</b>
<b>TOTAL PARKS</b>	<b>112,898</b>	<b>121,882</b>	<b>122,488</b>	<b>129,433</b>	<b>133,618</b>	<b>4,185</b>	<b>3.2%</b>

<b>FORT FOSTER AND BEACHES</b>	<b>FY15</b>	<b>FY16</b>	<b>FY17</b>	<b>FY18</b>	<b>FY19</b>		
<b>101735</b>	<b>ACTUALS</b>	<b>ACTUALS</b>	<b>ACTUALS</b>	<b>BUDGET</b>	<b>PROPOSED</b>	<b>VARIANCE</b>	<b>%</b>
64007 PARKS 15% COMM SALARY	12,884	13,308	22,522	11,250	11,983	733	
64010 FULL TIME SALARIES	45,349	46,811	47,180	48,366	50,498	2,132	
64020 PART TIME SALARIES	30,779	19,007	36,461	54,014	54,965	951	
64030 OVERTIME	407	1,395	963	6,500	6,765	265	
<b>Total Personal Services</b>	<b>89,419</b>	<b>80,522</b>	<b>107,126</b>	<b>120,130</b>	<b>124,211</b>	<b>4,081</b>	<b>3.4%</b>
65020 TELEPHONE & INTERNET	306	377	1,247	1,400	1,400	-	
65040 EDUCATIONAL/MEETING EXPENSES	74	160	-	200	100	(100)	
65060 PRINTING	3,040	3,164	3,580	2,500	3,500	1,000	
65080 LEGAL NOTICES/OTHER ADVERTISE	-	765	-	500	200	(300)	
65200 ELECTRICITY	-	-	199	500	500	-	
65220 WATER	-	-	-	600	600	-	
65300 MACHINE & EQUIPMENT MAINT	2,987	487	597	1,500	1,500	-	
65302 PROTECTIVE & SAFETY EQUIPMENT	210	120	382	300	600	300	
65303 FACILITY SAFETY INSPECTION EXP	-	-	-	625	625	-	
65310 VEHICLE MAINTENANCE	98	2,846	3,439	1,000	1,000	-	
65311 GAS, GREASE & OIL	1,842	1,303	970	4,000	4,000	-	
65312 TIRES & TUBES	-	790	263	700	700	-	
65480 OTHER PROFESSIONAL SERVICES	1,117	2,550	790	4,000	4,000	-	
65500 MAINTENANCE OF BLDG/GROUNDS	1,483	2,520	1,291	4,500	4,500	-	
65510 PAINTING	147	262	74	400	400	-	
65521 UNIFORMS	400	400	400	700	700	-	
66011 HAND TOOLS	169	276	47	150	150	-	
66030 OTHER SUPPLIES	443	394	393	900	900	-	
66040 JANITORIAL SUPPLIES & SERVICES	5,295	3,165	5,536	3,750	4,500	750	
67520 OPERATING EQUIPMENT	-	1,557	-	1,200	1,200	-	
67575 SEAPOINT BEACH	96	515	-	200	200	-	
<b>Total Expenses</b>	<b>17,709</b>	<b>21,651</b>	<b>19,210</b>	<b>29,625</b>	<b>31,275</b>	<b>1,650</b>	<b>5.6%</b>
<b>TOTAL FORT FOSTER AND BEACHES</b>	<b>107,128</b>	<b>102,173</b>	<b>126,335</b>	<b>149,755</b>	<b>155,486</b>	<b>5,731</b>	<b>3.8%</b>

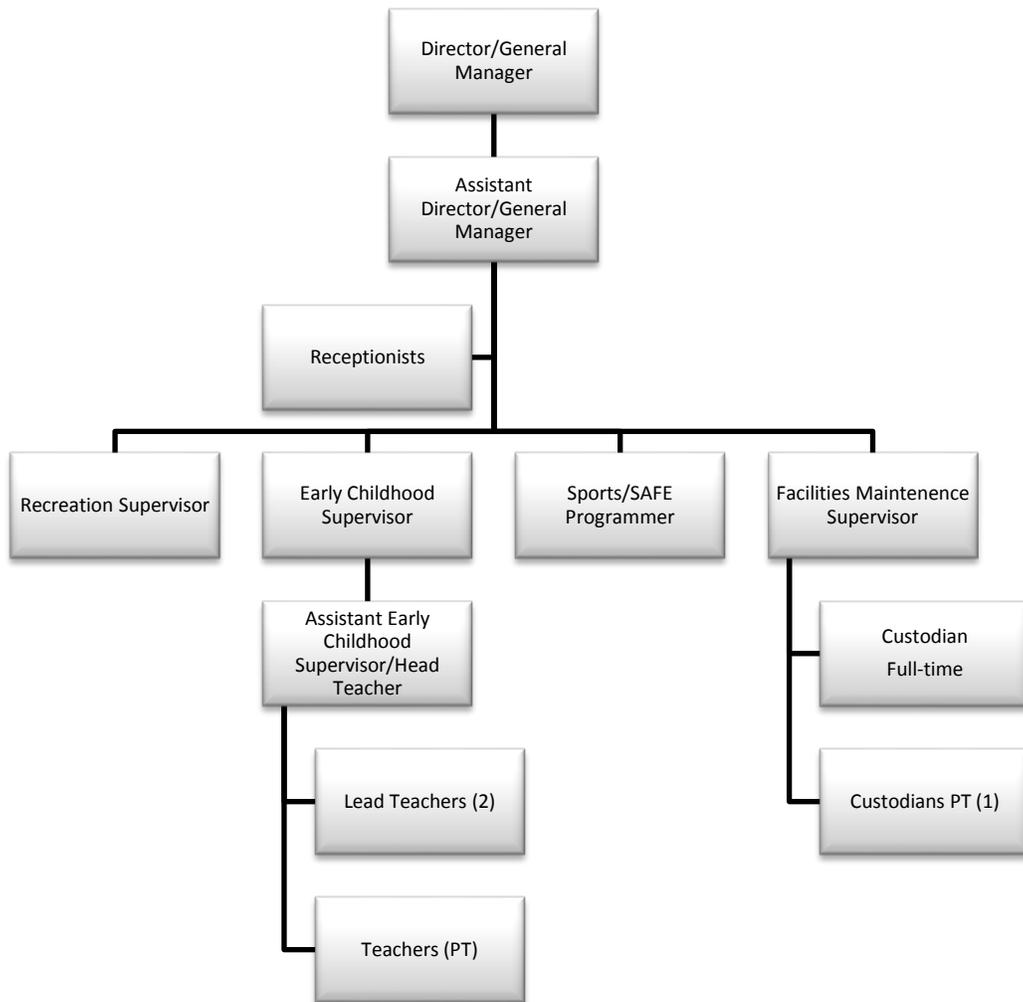
<b>RESOURCE RECOVERY CENTER</b>	<b>FY15</b>	<b>FY16</b>	<b>FY17</b>	<b>FY18</b>	<b>FY19</b>		
<b>101930</b>	<b>ACTUALS</b>	<b>ACTUALS</b>	<b>ACTUALS</b>	<b>BUDGET</b>	<b>PROPOSED</b>	<b>VARIANCE</b>	<b>%</b>
64009 SOLID WASTE 40% COMM SALARY	34,357	35,489	60,058	30,000	31,956	1,956	
64010 FULL TIME SALARIES	110,986	114,932	123,483	126,734	171,051	44,317	
64012 SHORELAND RESOURCE OFFICER	14,012	16,121	26,087	-	-	-	
64020 PART TIME SALARIES	18,841	15,246	14,033	28,080	-	(28,080)	
64030 OVERTIME	3,944	6,378	7,983	7,000	7,000	-	
<b>Total Personal Services</b>	<b>182,139</b>	<b>188,166</b>	<b>231,644</b>	<b>191,814</b>	<b>210,007</b>	<b>18,193</b>	<b>9.5%</b>
65020 TELEPHONE & INTERNET	920	872	889	2,000	2,000	-	
65030 TRANSPORTATION	-	-	173	400	200	(200)	
65040 EDUCATIONAL/MEETING EXPENSES	50	-	64	1,500	1,000	(500)	
65060 PRINTING	166	1,056	1,723	3,000	1,500	(1,500)	
65080 LEGAL NOTICES/OTHER ADVERTISE	-	1,724	-	-	-	-	
65090 ZERO WASTE PROGRAM EXPENSES	764	-	-	2,500	2,500	-	
65200 ELECTRICITY	12,794	12,963	14,429	11,000	11,000	-	
65220 WATER	494	512	592	800	950	150	
65230 FUEL OIL	529	418	633	1,230	1,230	-	
65300 MACHINE & EQUIPMENT MAINT	4,289	4,051	2,472	3,500	3,500	-	
65302 PROTECTIVE & SAFETY EQUIPMENT	478	589	672	1,000	1,000	-	
65303 FACILITY SAFETY INSPECTION EXPENSES	-	-	239	1,250	1,250	-	
65311 GAS, GREASE & OIL	9,389	6,432	7,325	10,000	10,000	-	
65312 TIRES & TUBES	288	-	-	3,000	3,000	-	
65480 OTHER PROFESSIONAL SERVICES	236,058	254,032	212,167	239,000	250,000	11,000	
65500 MAINTENANCE OF BLDG/GROUNDS	3,644	1,765	674	10,000	8,000	(2,000)	
65521 UNIFORMS	1,200	1,600	1,721	2,000	2,000	-	
66009 SHOP SUPPLIES	3,818	2,484	3,383	3,500	6,000	2,500	
66010 OFFICE SUPPLIES	177	330	132	250	250	-	
66011 HAND TOOLS	113	-	-	200	200	-	
66030 OTHER SUPPLIES	88	12	55	250	250	-	
66040 JANITORIAL SUPPLIES & SERVICES	561	417	1,202	1,200	1,400	200	
67516 PLANT EQUIPMENT MAINTENANCE	5,896	5,696	1,904	12,500	10,500	(2,000)	
67553 ASPHALT SURFACE MAINTENANCE	-	-	-	7,500	7,500	-	
<b>Total Expenses</b>	<b>281,715</b>	<b>294,953</b>	<b>250,447</b>	<b>317,580</b>	<b>325,230</b>	<b>7,650</b>	<b>2.4%</b>
<b>TOTAL RESOURCE RECOVERY CENTER</b>	<b>463,854</b>	<b>483,118</b>	<b>482,091</b>	<b>509,394</b>	<b>535,237</b>	<b>25,843</b>	<b>5.1%</b>

**KITTERY RECREATION & COMMUNITY CENTER**

**MISSION STATEMENT**

The Kittery Recreation/Community Center provides recreation activities and services that contribute to the physical, emotional and social well-being of Kittery citizens. Through this mission, it provides athletic, educational, and cultural experiences for all ages that assist in contributing to a full and meaningful way of life.

**DEPARTMENT ORGANIZATION**



**PERSONNEL SUMMARY**

<b>POSITION</b>	<b>FY18 Budget</b>	<b>FY19 Proposed</b>
Director/General Manager	1	1
Assistant Director/General Manager	1	1
Recreation Supervisor	1	1
Sports/SAFE Programmer	1	1
Early Childcare Supervisor/Head Teacher	1	1
Assistant Early Childcare Supervisor/Head Teacher	1	1
Lead Teacher	2	2
Facilities Maintenance Supervisor	0	1
Head Custodian	1	0
FT Custodian	1	1
PT Custodian	1	1
Receptionist	2	2
Preschool Teacher	2	2
SAFE Teacher	2	2
<b>Total FTE</b>	<b>17.0</b>	<b>17.0</b>

**BUDGET OVERVIEW**

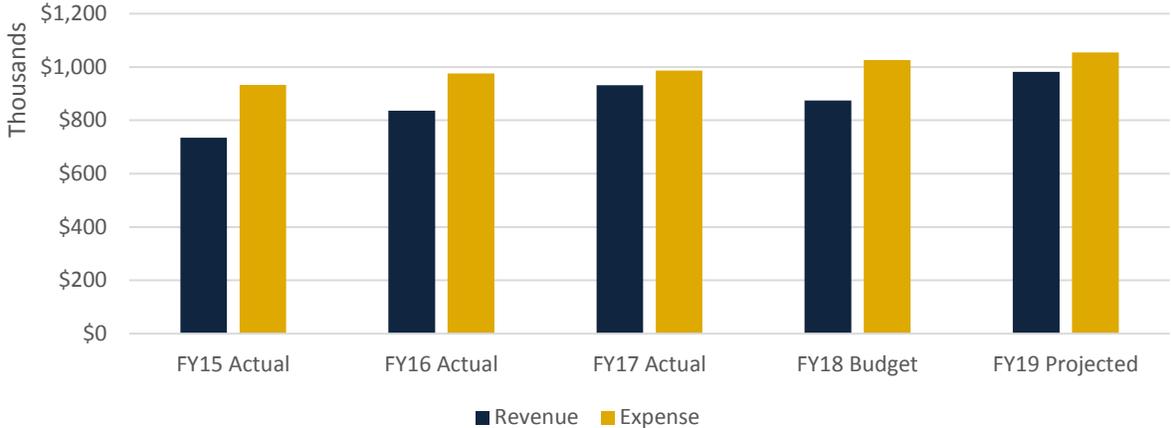
The KCC/Recreation budget is projected to increase both revenue and expenditures in FY19. Revenue is expected to increase 12.3% or approximately \$107,645. Expenditures are expected to increase 2.82% or approximately \$28,966.

The town was still in union negotiations at the time the FY18 budget was adopted. Therefore, the wages shown in FY18 did not reflect the cost of living or merit increases anticipated for that fiscal year. At the conclusion of negotiations, the Council approved a 2.0% cost of living increase for FY18 and a 2.25% in FY19. These two increases are reflected in FY19 wages and result in an overstated annual projection of wage increases.

The department will have a new Recreation Director/General Manager in FY19. The salary line item reflects the anticipated savings from this transition.

The department added a part-time preschool program in the prior fiscal year. Though attracting staff and addressing staff turnover has been a challenge, the program has been successful and will continue in FY19.

**Recreation Department Revenues and Expenses**



## KITTERY RECREATION/COMMUNITY CENTER

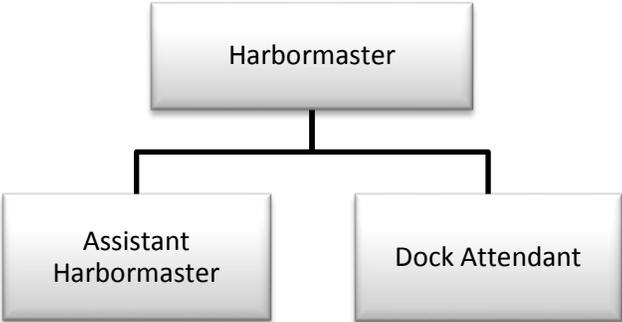
RECREATION	FY15	FY16	FY17	FY18	FY19		
101830	ACTUALS	ACTUALS	ACTUALS	BUDGET	PROPOSED	VARIANCE	%
64008 RECREATION DIRECTOR SALARY	74,680	77,996	78,521	78,561	78,758	196	
64009 ASST DIRECTOR/GEN MGR	53,694	56,668	57,709	56,969	58,417	1,449	
64010 EARLY CHILDHOOD SUPERVISOR	39,436	38,831	38,809	41,036	43,595	2,559	
64012 RECREATION SUPERVISOR	42,307	44,310	44,892	44,908	46,833	1,925	
64041 FACILITIES MAINT. SUPERVISOR	-	-	-	-	51,067	51,067	
64013 ASST EARLY CHILDCARE SUPER	31,655	33,045	33,102	33,126	35,219	2,092	
64014 LEAD TEACHERS	26,420	56,154	57,389	57,408	59,908	2,500	
64015 SPORTS COORDINATOR	33,080	34,378	35,001	35,134	36,640	1,506	
64016 RECEPTIONISTS	46,142	48,586	49,589	48,047	50,261	2,214	
64017 BOOKKEEPER/SECRETARY	17,685	19,009	19,926	20,390	21,628	1,238	
64018 KITCHEN/CAFE/EVENT COORD	921	-	-	-	-	-	
64020 PT SAFE SCHOOL YEAR SALARIES	32,203	24,929	15,211	20,000	21,000	1,000	
64021 SAFE SUMMER SALARIES	36,153	28,964	31,341	30,000	33,822	3,822	
64023 ADVENTURE SUMMER STAFF	9,509	11,152	10,663	12,500	15,354	2,854	
64024 FT CUSTODIAN	41,842	77,169	78,899	84,387	36,640	(47,747)	
64025 PRE-SCHOOL STAFF SALARIES	95,620	84,291	94,162	116,873	125,000	8,127	
64026 INSTRUCTORS STIPENDS	18,786	24,040	21,165	20,000	21,500	1,500	
64027 PT CUSTODIAN WAGES	54,279	31,993	30,270	30,798	32,189	1,391	
64028 THEATRE TECHNICIANS	1,000	840	130	1,000	500	(500)	
64030 OVERTIME	5,378	5,228	7,122	5,000	8,000	3,000	
<b>Total Personal Services</b>	<b>660,790</b>	<b>697,581</b>	<b>703,901</b>	<b>736,137</b>	<b>776,332</b>	<b>40,194</b>	<b>5.5%</b>
65010 POSTAGE	1,846	1,717	1,418	1,500	1,500	-	
65020 TELEPHONE & INTERNET	5,045	5,168	4,457	5,000	5,000	-	
65030 TRANSPORTATION	2,758	937	2,850	1,000	3,500	2,500	
65060 PRINTING	6,142	7,423	7,565	7,800	7,800	-	
65080 LEGAL NOTICES/OTHER ADVERTISE	-	1,221	127	-	-	-	
65200 ELECTRICITY / UTILITIES	34,078	41,813	46,240	42,000	44,000	2,000	
65220 WATER	2,423	2,999	3,245	3,090	3,342	252	
65230 NATURAL GAS	52,755	27,946	32,888	40,000	35,000	(5,000)	
65250 SEWER	2,040	2,187	2,089	2,300	2,300	-	
65300 MACHINE & EQUIPMENT MAINT	(978)	4,810	1,801	9,000	6,000	(3,000)	
65310 VEHICLE MAINTENANCE	2,175	1,138	1,788	1,000	1,000	-	
65478 PROGRAM SERVICES	6,013	5,885	1,581	8,000	4,000	(4,000)	
65480 OTHER PROFESSIONAL SERVICES	-	-	625	3,000	2,500	(500)	
65500 MAINTENANCE OF BLDG/GROUNDS	9,109	29,245	7,676	13,000	13,000	-	
65600 FIELD TRIPS	-	-	-	-	-	-	
65610 SAFE SCHCOOL YEAR PROGRAM EX	2,845	2,362	3,586	4,000	3,500	(500)	
65615 SAFE SUMMER PROGRAM EXPENSE	21,502	14,922	22,093	20,000	19,000	(1,000)	
65620 ADVENTURE ADOLESCENT CAMP	11,869	12,956	17,210	18,000	19,000	1,000	
65630 INSTRUCTORS-CONTRACTED	2,089	4,727	2,709	2,500	2,800	300	
65640 SPECIAL EVENTS	11,672	8,395	8,902	10,000	9,500	(500)	
65650 SENIOR PROGRAMS	5,798	5,597	3,927	7,000	7,000	-	
65670 TEAM EXPENSE	8,910	6,905	7,249	8,000	7,000	(1,000)	
65680 PRESCHOOL PROGRAM EXPENSES	12,301	14,637	12,537	10,000	8,500	(1,500)	
65801 CONTRACTED SERVICES	32,616	32,097	52,394	39,000	39,800	800	
65802 ANNEX UTILITIES	10,559	8,529	3,032	5,000	4,000	(1,000)	
65803 MISCELLANEOUS	12,739	12,189	15,010	9,080	9,000	(80)	
66010 OFFICE SUPPLIES	3,825	3,433	2,615	3,500	3,000	(500)	
66030 OTHER SUPPLIES	1,885	9,366	3,478	4,000	4,000	-	
66031 THEATRE SUPPLIES	-	-	1,024	2,000	1,000	(1,000)	
66040 JANITORIAL SUPPLIES & SERVICES	9,740	9,653	13,071	11,000	12,500	1,500	
<b>Total Expenses</b>	<b>271,757</b>	<b>278,258</b>	<b>283,186</b>	<b>289,770</b>	<b>278,542</b>	<b>(11,228)</b>	<b>-3.9%</b>
<b>TOTAL RECREATION</b>	<b>932,547</b>	<b>975,839</b>	<b>987,087</b>	<b>1,025,907</b>	<b>1,054,874</b>	<b>28,966</b>	<b>2.8%</b>

**HARBORMASTER**

**MISSION STATEMENT**

The Harbormaster is responsible for maintenance and development of the port, harbor and navigable tidal waters within the jurisdiction of the town’s Port Authority. The Kittery Port Authority establishes the rules and regulations for the jurisdictional tidal waters, and the fees and fines collected by the town.

**DEPARTMENT ORGANIZATION**



**PERSONNEL SUMMARY**

POSITION	FY18 Budget	FY19 Proposed
Harbormaster	1	1
Assistant Harbormaster (seasonal)	0.5	0.5
Dock Attendant (seasonal)	0.5	0.5
<b>Total FTE</b>	<b>2.0</b>	<b>2.0</b>

**BUDGET OVERVIEW**

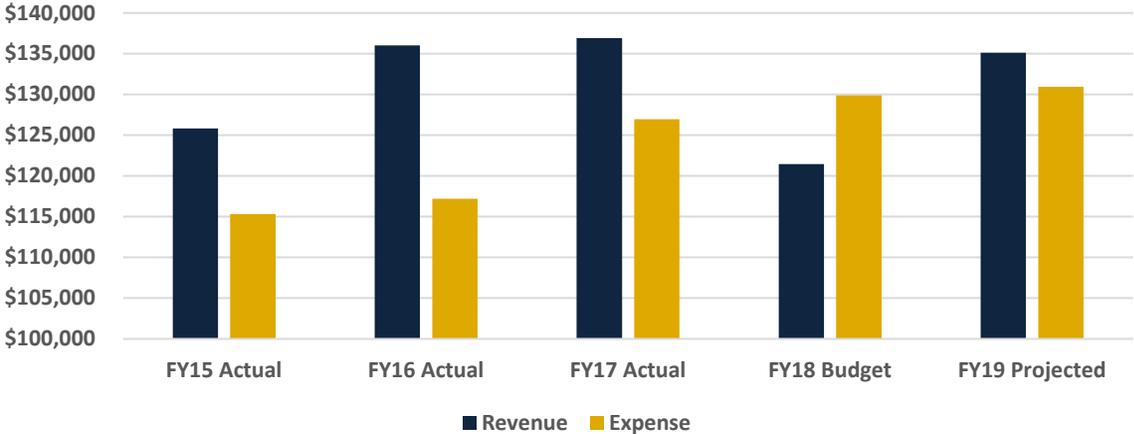
The Harbormaster budget is projected to be relatively flat. The Harbormaster position is vacant at this time.

The recent opening of three new venues adjacent to the Pepperrell Cove facility is expected to lead to additional demand on the public floats and parking. An additional \$4,000 has been added to the part-time line item to cover increased staff hours as needed through the season.

The Public Officials Liability Insurance is no longer needed, with the Kittery Port Authority’s inclusion as a town board in November 2017, resulting in a savings of \$2,575. The Marine Operators Liability insurance has been moved to the shared expenses budget with the town’s other insurance obligations.

Rigging is increasing \$3,100 to support the crane and flagger services required for the safe installation and removal of the floats each season, and for the placing of buoys for the season.

**Harbormaster Revenues and Expenses**



<b>HARBORMASTER - KPA</b>		<b>FY15</b>	<b>FY16</b>	<b>FY17</b>	<b>FY18</b>	<b>FY19</b>	<b>VARIANCE</b>	<b>%</b>
<b>101840</b>		<b>ACTUALS</b>	<b>ACTUALS</b>	<b>ACTUALS</b>	<b>BUDGET</b>	<b>PROPOSED</b>		
64010	HARBOR MASTER FULL TIME SALARIES	49,615	51,044	50,654	50,000	52,000	2,000	
64020	PART TIME SALARIES	15,816	15,716	10,903	10,000	14,000	4,000	
64030	OVERTIME	32	-	492	-		-	
	<b>Total Personal Services</b>	<b>65,463</b>	<b>66,760</b>	<b>62,049</b>	<b>60,000</b>	<b>66,000</b>	<b>6,000</b>	<b>10.0%</b>
65010	POSTAGE	13	135	206	100	100	-	
65020	TELEPHONE & INTERNET	1,558	863	864	1,000	1,100	100	
65030	TRANSPORTATION	490	365	565	500	500	-	
65080	LEGAL NOTICES/OTHER ADVERTISE	1,067	-	420	-		-	
65200	ELECTRICITY	1,248	1,426	1,338	1,800	1,500	(300)	
65220	WATER	164	269	214	300	600	300	
65240	DUMPSTERS/TRASH REMOVAL	516	814	711	1,300	1,300	-	
65250	SEWER	370	1,785	2,270	-		-	
65305	BOAT EQUIPMENT MAINTENANCE	2,377	1,223	1,414	750	750	-	
65311	GAS, GREASE & OIL	667	583	992	1,000	750	(250)	
65452	SAFETY	181	130	829	1,000	1,000	-	
65460	SIGNS	140	104	558	500	500	-	
65461	TRASH REMOVAL	-	-	-	-		-	
65462	RIGGING	7,227	7,681	5,591	6,500	9,600	3,100	
65463	SANITATION	772	465	367	3,900	3,900	-	
65467	CONTRACTED SERVICES	-	-	-	-		-	
65469	SECURITY	20	83	-	-		-	
65470	PROFESSIONAL DEVELOPMENT	450	875	466	550	550	-	
65480	OTHER PROFESSIONAL/CONTRACTED	3,214	1,092	2,690	2,500	2,500	-	
65500	MAIN BLDG/GROUNDS WHARVES/HARBOR	2,116	991	2,570	3,000	3,000	-	
65521	UNIFORMS	299	59	298	500	500	-	
65550	PUBLIC OFFICIALS LIABILITY INS	2,575	2,575	2,627	2,575		(2,575)	
65551	MARINE OPERATORS LIAB INS	6,092	5,385	5,911	6,150		(6,150)	
66010	OFFICE SUPPLIES	229	578	849	1,250	500	(750)	
66040	JANITORIAL SUPPLIES & SERVICES	224	425	248	500	300	(200)	
	<b>Total Personal Services</b>	<b>32,010</b>	<b>27,903</b>	<b>31,996</b>	<b>35,675</b>	<b>28,950</b>	<b>(6,725)</b>	<b>-18.9%</b>
	<b>TOTAL HARBORMASTER</b>	<b>97,473</b>	<b>94,663</b>	<b>94,045</b>	<b>95,675</b>	<b>94,950</b>	<b>(725)</b>	<b>-0.8%</b>

**COMMUNITY AGENCIES**

**MISSION STATEMENT**

Through Community Agencies, the town seeks to provide funding to non-profit agencies that provide support services for the residents of Kittery.

**BUDGET OVERVIEW**

The projected budget is decreasing \$2,600. The agencies receiving continued support are those that provide housing, care and support services to Kittery residents in need. The town also supports the local garden club which provides in-kind expertise to the Department of Public Works.

<b>COMMUNITY AGENCIES</b>	<b>FY15</b>	<b>FY16</b>	<b>FY17</b>	<b>FY18</b>	<b>FY19</b>		
<b>101540</b>	<b>ACTUALS</b>	<b>ACTUALS</b>	<b>ACTUALS</b>	<b>BUDGET</b>	<b>PROPOSED</b>	<b>VARIANCE</b>	<b>%</b>
65468 KIDS FREE TO GROW	500	-	-	-	-	-	-
65479 FAIR TIDE	500	1,000	1,500	1,600	1,600	-	-
65482 AIDS RESPONSE SEACOAST	965	965	965	965	965	-	-
65483 AMERICAN RED CROSS	-	-	500	500	-	(500)	-
65484 BIDDEFORD FREE CLINIC	-	-	-	-	-	-	-
65487 CARING UNLIMITED	965	965	965	1,000	-	(1,000)	-
65492 YORK COUNTY COMMUNITY ACTION	2,500	2,500	2,500	2,500	2,500	-	-
65495 VISITING NURSES OF SO MAINE	2,000	2,000	2,000			-	-
65496 YORK COUNTY SHELTERS	700	500	-	500	500	-	-
65497 SO MAINE AREA AGENCY ON AGING	1,200	1,300	1,300	1,300	1,300	-	-
65499 CROSSROADS HOUSE	1,500	2,000	2,000	2,000	2,000	-	-
OLD OTHER	3,000		-	-	-	-	-
65526 GARDEN CLUB	-	-	-	300	300	-	-
65527 MAINE PUBLIC	-	-	-	100	-	(100)	-
65528 SO MAINE VETERANS MEMORIAL CEMETERY	-	-	-	1,000	-	(1,000)	-
<b>TOTAL COMMUNITY AGENCIES</b>	<b>13,830</b>	<b>11,230</b>	<b>11,730</b>	<b>11,765</b>	<b>9,165</b>	<b>(2,600)</b>	<b>-22%</b>

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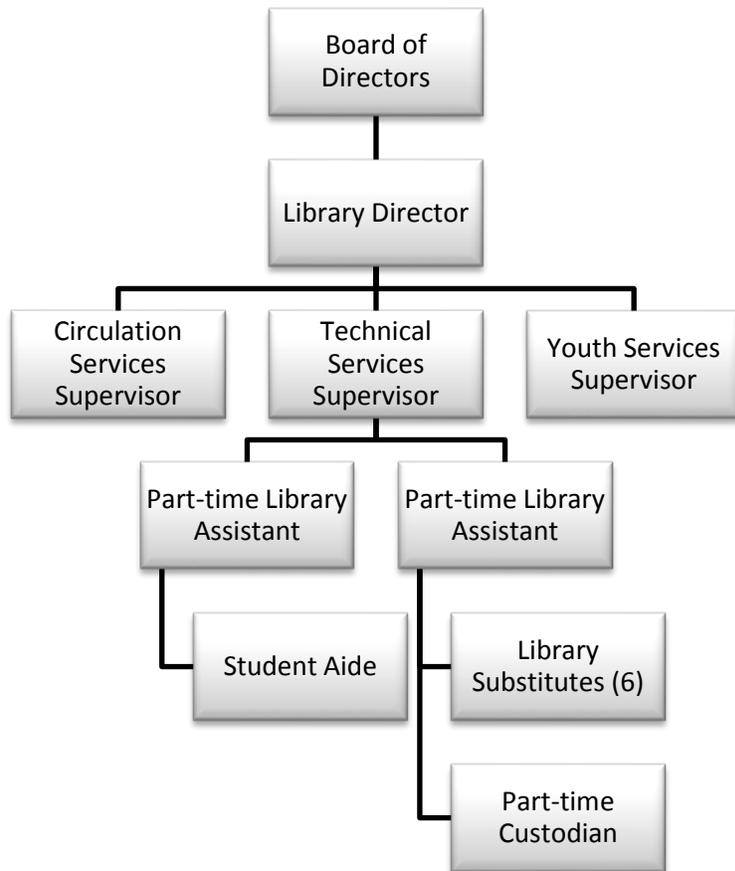
**RICE PUBLIC LIBRARY**

**MISSION STATEMENT**

The mission of the Rice Public Library is to promote literacy and lifelong learning in a welcoming environment. The Library provides patrons access to local, national and global resources. It offers a collection that reflects the varied interests of the community through its collection of print, electronic, digital and emerging media and addresses the cultural interests of the community

The Rice Public Library is a wholly separate 501(c)(3) non-profit organization that serves as the Town’s Library. It is supported primarily by a subsidy provided by the town. Town funds make up 92% of the Library’s revenues. The Town Council and Library Board of Directors are entering into negotiations to make the Library a department; in preparation for an anticipated bonded project that will result in the expansion and renovation of the Rice Library building.

**DEPARTMENT ORGANIZATION**

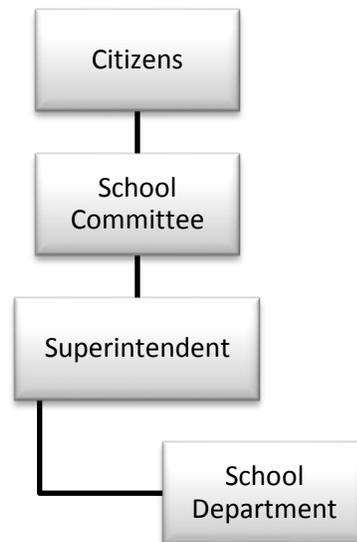


<b>RICE PUBLIC LIBRARY</b>	<b>FY15</b>	<b>FY16</b>	<b>FY17</b>	<b>FY18</b>	<b>FY19</b>		
<b>101810</b>	<b>ACTUALS</b>	<b>ACTUALS</b>	<b>ACTUALS</b>	<b>BUDGET</b>	<b>PROPOSED</b>	<b>VARIANCE</b>	<b>%</b>
<b>INCOME</b>							
<b>Town Subsidy</b>	<b>440,916</b>	<b>448,412</b>	<b>457,380</b>	<b>467,380</b>	<b>478,901</b>	<b>11,521</b>	<b>2.5%</b>
Annual Appeal	12,130	12,627	13,703	13,000	14,000	1,000	
Grant Funds	8,387	7,485	7,139	7,000	6,000	(1,000)	
Donations	7,590	8,434	9,096	7,950	7,400	(550)	
Fines/Lost Books	10,377	8,373	6,311	7,000	7,200	200	
Copy Machine Use/Book sales	3,486	2,389	2,472	2,450	2,250	(200)	
Parking Lot Rent	3,000	3,450	3,600	3,600	3,600	-	
Interest Income	355	329	293	250	250	-	
Non-resident Fees	221	455	776	700	400	(300)	
Other Income		7,483	(2,066)	2,750	1,200	(1,550)	
<b>INCOME</b>	<b>486,462</b>	<b>499,437</b>	<b>498,704</b>	<b>512,080</b>	<b>521,201</b>	<b>9,121</b>	<b>1.8%</b>
<b>EXPENSES</b>							
Books, Magazines, Newspapers	53,953	52,270	54,513	50,350	48,543	(1,807)	
E-Books	650	1,481	2,235	2,000	2,000	-	
Audiovisual/DVD	18,030	16,950	14,812	15,600	14,000	(1,600)	
Copier Expense	3,788	2,846	2,995	3,000	2,500	(500)	
Insurance (Gen'l & Workers' Comp)	9,323	9,379	8,108	9,000	9,000	-	
Building Cleaning	15,597	15,525	16,908	15,000	15,000	-	
Building Repairs and Maintenance	10,400	8,240	12,306	13,000	13,000	-	
Grounds Maintenance	8,208	4,144	8,726	6,000	6,000	-	
Telephone	1,475	1,249	1,171	1,200	1,200	-	
Electricity (Rice & Taylor)	6,536	6,490	6,756	7,000	7,000	-	
Heating Expense (Rice & Taylor)	13,445	7,167	7,098	7,500	7,950	450	
Water & Sewer	1,041	951	998	1,000	1,600	600	
Office Supplies	2,235	1,455	2,684	2,750	2,000	(750)	
Postage	2,127	2,429	2,149	2,250	2,250	-	
Office Equipment/Small Furniture	3,717	2,329	2,448	3,000	2,500	(500)	
Professional Dues	1,002	964	1,038	1,100	1,000	(100)	
Printing Expense	1,721	4,617	3,996	4,000	2,500	(1,500)	
Technology	8,498	9,501	11,809	11,320	11,300	(20)	
Library Programs	16,081	16,468	16,538	16,000	16,000	-	
Delivery Service	611	768	600	1,560	1,560	-	
Gross Payroll	221,113	235,164	240,874	241,400	248,642	7,242	
Payroll Taxes	17,689	18,686	19,111	19,153	19,021	(132)	
Health/Dental/Vision Insurance	15,671	17,222	23,063	25,090	31,985	6,895	
Retirement Benefit - 401K	11,938	12,999	13,886	14,007	15,000	993	
401K & Payroll Service Fees	4,612	3,600	4,974	5,000	5,000	-	
Conferences & Workshops	810	347	393	400	300	(100)	
Professional Services (PR)	287	-	1,051	1,000	1,200	200	
Bookkeeping, Bank & Audit Charges	10,041	9,051	8,967	10,200	9,500	(700)	
Miscellaneous	2,811	2,789	2,013	2,200	1,650	(550)	
<b>OPERATING EXPENSES</b>	<b>463,410</b>	<b>465,081</b>	<b>492,220</b>	<b>491,080</b>	<b>499,201</b>	<b>8,121</b>	<b>1.7%</b>

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## SCHOOL DEPARTMENT

The Kittery School Department is organized under the authority of the elected School Committee, who relies upon the Superintendent to manage the day-to-day operations of the department.



In contrast to other Town Department budgets that are submitted for final approval by Town Council, the School Department's annual budget is subject to a three-step process: 1) the School Committee must vote on its recommended budget, 2) the Town Council must vote to place the School Committee's submittal on the Town Meeting warrant, and 3) the final approval of the budget is subject to direct vote at the June Town Meeting Secret Ballot.

### **BUDGET OVERVIEW**

The School Department has proposed a \$554,221 increase in spending; of which \$479,113 will be funded by the property tax levy. This represents a 3.25% increase in the property-tax supported funds for the School Department.

SCHOOL DEPARTMENT	FY15	FY16	FY17	FY18	FY19	VARIANCE	%
	BUDGET	BUDGET	BUDGET	BUDGET	PROPOSED		
REGULAR INSTRUCTION	6,080,562	6,145,815	6,387,857	6,570,215	6,849,500	279,285	
SPECIAL EDUCATION	2,608,295	2,751,901	3,258,062	3,552,580	3,569,011	16,431	
CAREER & TECHNICAL	4,115	6,380	5,826	5,048	5,152	104	
OTHER INSTRUCTION	281,786	314,853	319,082	340,080	344,553	4,473	
STUDENT & STAFF SUPPORT	1,496,800	1,597,277	1,617,251	1,712,412	1,800,673	88,261	
SYSTEM ADMINISTRATION	533,379	520,658	562,964	536,539	609,767	73,228	
SCHOOL ADMINISTRATION	867,424	968,913	1,087,564	1,124,149	1,094,450	(29,699)	
TRANSPORTATION & BUSES	494,009	540,373	572,920	541,769	654,589	112,820	
FACILITIES MAINTENANCE	1,417,272	1,456,822	1,480,416	1,361,914	1,383,566	21,652	
DEBT SERVICE & OTHER COMMITMENTS	1,113,543	1,088,368	825,703	815,103	802,769	(12,334)	
ALL OTHER EXPENDITURES	64,000	70,000	80,200	115,200	115,200	-	
<b>TOTAL SCHOOL EXPENSES</b>	<b>14,961,185</b>	<b>15,461,360</b>	<b>16,197,845</b>	<b>16,675,009</b>	<b>17,229,230</b>	<b>554,221</b>	<b>3.32%</b>
<b>TOTAL SCHOOL REVENUE</b>	<b>1,147,024</b>	<b>1,406,785</b>	<b>1,734,804</b>	<b>1,927,605</b>	<b>2,002,713</b>	<b>75,108</b>	<b>3.90%</b>
<b>TOTAL TAX APPROPRIATION</b>	<b>13,814,161</b>	<b>14,054,575</b>	<b>14,463,041</b>	<b>14,747,404</b>	<b>15,226,517</b>	<b>479,113</b>	<b>3.25%</b>

Note: FY18 School revenue adjusted for \$199,797 additional State Aid awarded after the approval of the FY18 Budget.

**ADULT EDUCATION****BUDGET OVERVIEW**

Adult Education refers to an education program primarily operated for individuals beyond the compulsory school age that is administered by school administrative units through a career pathways and service system and that, except as provided in section 8602-B, includes intake, assessment, advising, instruction and individual learning plans; is guided by data management and analysis, annual monitoring and annual professional development plans; uses appropriately certified staff; is designed to meet identified local needs; makes use of partnerships and alignment with workforce development, postsecondary institutions and support services; and offers at least 3 of the following:

- A. Basic literacy instruction or instruction in English as a Second Language
- B. High school completion courses
- C. College transition courses
- D. Enrichment courses
- E. Adult workforce training and retraining
- F. Adult career and technical education

**FY19 BUDGET HIGHLIGHTS**

The town's projected contribution to this department is increasing from \$80,590 to \$86,765. The increase is due to increases in health insurance benefits; specifically the addition of an enrollee in the health plan.

**ADULT EDUCATION**  
**108000/69480**

<b>REVENUE</b>	<b>FY18 BUDGET</b>	<b>FY19 BUDGET</b>	<b>VARIANCE</b>	<b>%</b>
State Subsidy	37,865	37,770	(95)	
Carry Forward - Adult Ed	22,944	26,136	3,192	
Enrichment Fees	32,950	27,872	(5,078)	
<b>Local Funds</b>	<b>80,590</b>	<b>86,765</b>	<b>6,175</b>	<b>7.7%</b>
Fees from Other Schools	-	-	-	
Donations from Private Sources	2,200	2,200	-	
Private Grants	-	-	-	
<b>TOTAL ADULT EDUCATION REVENUE</b>	<b>\$176,549</b>	<b>\$180,743</b>	<b>\$ 4,194</b>	<b>2.4%</b>

**EXPENSES*****Workforce Training***

Salaries - Professionals	1,300	1,300	-	
Salaries - Other	12,000	1,000	(11,000)	
FICA - Professionals	99	19	(81)	
FICA - OTHER	918	77	(842)	
Retirement - Professionals	52	52	-	
Work Comp - Professionals	7	7	(1)	
Work Comp - Reg EEs	65	5	(60)	
Contracted Services (ACCPAdvisor)	-	14,888	14,888	
Supplies - Instructional	100	100	-	
Books - Workforce	100	100	-	
<b>Total Workforce Training</b>	<b>14,641</b>	<b>17,546</b>	<b>2,906</b>	<b>19.8%</b>

***High School Completion***

Salaries - Professionals	7,920	7,920	-	
Salaries - Other	9,697	-	(9,697)	
FICA - Professionals	115	115	-	
FICA - Other Employees	742	-	(742)	
Retirement - Professionals	314	314	0	
Work Comp - Professionals	43	40	(3)	
Work Comp -Other	52	-	(52)	
Contracted Services (ACCPAdvisor)	-	13,097	13,097	
Instructional Supplies	870	870	-	
<b>Total High School Completion</b>	<b>19,753</b>	<b>22,356</b>	<b>2,603</b>	<b>13.2%</b>

***Local Literacy***

Salaries - Professionals	1,000	1,000	-	
FICA - Professionals	15	15	-	
Retirement - Professionals	40	40	-	
Work Comp - Professionals	5	5	(0)	
Instructional Supplies	-	100	100	
<b>Total Local Literacy</b>	<b>1,060</b>	<b>1,159</b>	<b>100</b>	<b>9.4%</b>

	FY18	FY19		
<i><b>Enrichment</b></i>	<b>BUDGET</b>	<b>BUDGET</b>	<b>VARIANCE</b>	<b>%</b>
Salaries - Enrichment	6,000	6,000	-	
FICA - Enrichment	459	459	-	
Retirement - Enrichment	-	-	-	
Work Comp - Enrichment	33	30	(3)	
Prof Services - Adult Ed	14,000	8,905	(5,095)	
<b>Total Enrichment</b>	<b>20,492</b>	<b>15,394</b>	<b>(5,098)</b>	<b>-24.9%</b>
 <i><b>Administration</b></i>				
Asst. Director Salaries	49,437	50,673	1,236	
Clerical Salaries	5,932	6,081	149	
(Assist) Director Health Benefit	8,185	8,716	531	
FICA - Admin	717	735	18	
FICA - Clerical	454	465	11	
Retirement - Asst Director	1,963	2,012	49	
Tuition - Admin	1,000	1,000	-	
Work Comp - Admin	267	253	(14)	
Work Comp - Reg EE	11	30	20	
EE Train & Develop	200	200	-	
Professional Services (Director)	37,265	38,922	1,657	
Copier Service Agreement	165	193	27	
Copier Lease	200	200	-	
Postage	1,350	1,350	-	
Telephone	400	400	-	
Online Software Apps	300	300	-	
Advertising	2,500	2,500	-	
Printing	2,332	2,332	-	
Travel - Reg	500	500	-	
Travel - Professional Dev	550	550	-	
Supplies	700	700	-	
Food- Adult Ed Admin	200	200	-	
Tech Supplies	250	250	-	
Supplies - Graduation	225	225	-	
Tech Equipment >\$5K	-	-	-	
Tech Equipment <\$5K	1,000	1,000	-	
Tech Hardware <\$5K	2,000	2,000	-	
Dues and Fees	2,500	2,500	-	
<b>Total Administration</b>	<b>120,603</b>	<b>124,287</b>	<b>3,684</b>	<b>3.1%</b>
<b>TOTAL ADULT EDUCATION EXPENSES</b>	<b>\$ 176,549</b>	<b>\$ 180,743</b>	<b>\$ 4,194</b>	<b>2.4%</b>

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# Section III Sewer Enterprise



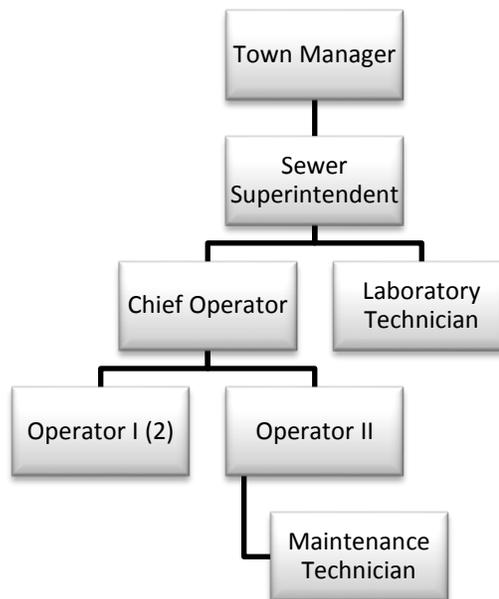
## SEWER ENTERPRISE

### MISSION STATEMENT

The Kittery Wastewater Treatment operation was created as an enterprise fund in 1969. Known as the Sewer Department, their mission is to protect the local environment through the collection and treatment of wastewater.

An enterprise fund is separate from the town's General Fund in that its expenses are not borne by the taxpayers; but rather by a proportional fee charged to those who are connected to the sewer line. The fund is designed support the sewer operation with the revenues directly applied to department expenses.

### DEPARTMENT ORGANIZATION



### PERSONNEL SUMMARY

POSITION	FY18 Budget	FY19 Proposed
Town Manager	0.25	0.25
Superintendent	1	1
Chief Operator	1	1
Operator I	2	2
Operator II	1	1
Laboratory Technician	1	1
Maintenance Technician	1	1
<b>Total FTE</b>	<b>7.25</b>	<b>7.25</b>

**BUDGET OVERVIEW**

The town's Sewer Enterprise Fund is currently facing some financial challenges. The revenue generated by the fund is insufficient to meet current obligations. The fund has fallen into a deficit balance and is currently in arrears to the General Fund.

There are many factors that have contributed to this deficit. There has not been a rate increase in almost ten years and usage revenue generation has not grown at the pace of expense growth over the years. The use of one-time funds recorded outside of the enterprise for capital spending has masked a growing structural deficit. The additional debt undertaken for the plant upgrade and expansion project has exacerbated the situation. The exclusion of debt principal payments from the operating statement further masked the growing deficit issue.

It is critical to have a full understanding of the costs generated by the fund in order to ensure that rates are set at an appropriate level. The town is currently evaluating rate revisions, with the stated goals of raising enough revenue to meet the annual operating and capital needs of the department, pay back the General Fund, and reestablish an appropriate reserve balance. The new rate plan will be developed to meet these goals by 2023, or in approximately five years. Additionally, the town is adjusting the method by which debt principal payments are recorded and will begin to include annual accommodations for capital investment through the enterprise to ensure that annual spending plans are complete and accurate.

The town recently conducted an operational review of the Sewer department. In the review it was found the department is minimally staffed for the size of the utility operation (sewer treatment processing, number of pump stations, miles of pipe). As a department, it is operating efficiently according to industry standards, permit requirements, and comparable sized operations. The review confirmed the town cannot look to cost reductions as an alternative to rate increases.

The budget is projected to increase 6.8% over the prior year or approximately \$165,912.

The town was still in union negotiations at the time the FY18 budget was adopted. Therefore, the wages shown in FY18 did not reflect the cost of living or merit increases anticipated for that fiscal year. At the conclusion of negotiations, the Council approved a 2.0% cost of living increase for FY18 and a 2.25% in FY19. These two increases are reflected in FY19 wages and result in an overstated annual projection of wage increases.

The Billing Clerk salary is reducing to a part-time rate (the position is shown in the Administration Personnel chart). This reflects the recognition that the "Sewer Bookkeeper" role has shifted, over the years, to primarily be a tax-collector role. Recognizing this requires the charge for the wages and benefits to be covered within the General Fund and not the Sewer Enterprise Fund. Conversely, in 2016 the town brought on a part-time clerk to assist with the sewer billing and administration of the betterment assessments associated with the expansion project. This position was charged to the General Fund despite working almost exclusively on sewer matters. The Billing Clerk Salary line item now reflects the part-time position.

The department recently re-established a multi-year capital improvement plan. Based on this plan, the department estimates it needs approximately \$200,000 annually to meet its ongoing capital replacement needs. The expenditure will be represented annually in the budget and reflect an appropriation to a capital reserve similar to the capital expenditure in the General Fund budget.

Other professional services in the sewer lines section is increased \$6,300 for annual crack seal and pavement maintenance.

Sludge removal contract expenses are projected to increase \$9,355. The cost of chemicals needed for the treatment process are also increasing. These are market driven.

	FY14	FY15	FY16	FY17	FY18	FY19		
SEWER REVENUE	ACTUALS	ACTUALS	ACTUALS	ACTUALS	BUDGET	PROPOSED	VARIANCE	%
43210 SEWER LIEN FEES		-	3,666	-	-	-	-	
43220 PENALTY INTEREST		-	12,137	4,847	-	-	-	
45001 REVENUE US NAVY	408,142	450,839	491,049	547,967	580,695	580,695	-	
45002 REVENUE US NAVY HOUSING	97,303	89,666	88,690	91,033	93,590	93,590	-	
45003 REVENUE OTHER	39,955	29,432	15,285	25,340	137,371	25,000	(112,371)	
45004 REVENUE TOWN OF ELIOT	75,777	149,602	184,297	221,944	177,138	177,138	-	
45005 REVENUE NEW SEWER	1,057,307	990,809	1,162,405	1,177,382	1,187,079	1,187,079	-	
45006 EXPANSION ASSESSMENT REVENUE	-	-	-	318,599	79,000	77,000	(2,000)	
45007 SEWER INTEREST REVENUE	2,337	3,195	626	7,271	-	-	-	
45008 UNBILLED REVENUE SEWER	-	911	-	-	-	-	-	
<b>SEWER REVENUE</b>	<b>1,680,821</b>	<b>1,714,454</b>	<b>1,958,154</b>	<b>2,394,383</b>	<b>2,254,873</b>	<b>2,140,503</b>	<b>(114,371)</b>	<b>-5.1%</b>
<b>EXPENSES</b>	<b>1,682,543</b>	<b>1,800,076</b>	<b>1,898,265</b>	<b>2,509,781</b>	<b>2,423,589</b>	<b>2,589,501</b>	<b>165,912</b>	<b>6.8%</b>

\* Revenue does not include proposed rate increases.

SEWER ENTERPRISE FUND	FY15 ACTUALS	FY16 ACTUALS	FY17 ACTUALS	FY18 BUDGET	FY19 PROPOSED	VARIANCE	%
<b>GENERAL OPERATIONS</b>							
<b>602760</b>							
64011 TOWN MANAGER SALARY	27,647	26,692	19,094	29,540	30,970	1,430	4.8%
64012 SUPERINTENDENT SALARY	80,761	80,296	83,166	83,226	88,557	5,331	6.4%
64013 OFFICE CLERK SALARY	68,022	45,225	45,658	45,698	26,032	(19,666)	-43.0%
64031 SALARY & POSITION ADJUSTMENT				14,000	5,000	(9,000)	-64.3%
64050 MAINE STATE RETIREMENT	9,824	11,391	12,238	12,377	8,856	(3,521)	-28.5%
64051 ICMA EMPLOYER SHARE	1,557	1,608	880	1,772	1,858	86	4.9%
64060 FICA EMPLOYER SHARE	12,977	11,458	10,632	12,122	11,518	(604)	-5.0%
64070 WORKERS COMPENSATION	9,174	14,277	17,701	14,461	20,237	5,776	39.9%
64090 MAJOR MEDICAL INSURANCE	162,702	143,329	143,948	130,540	124,344	(6,196)	-4.7%
64091 DENTAL INSURANCE	4,014	1,036	1,147	1,198	1,495	297	24.8%
64092 DISABILTY INSURANCE	3,222	3,555	3,444	3,999	4,200	201	5.0%
65101 MMA RISK POOL	25,221	19,014	22,521	33,350	26,740	(6,610)	-19.8%
65350 SWEET END RENT	22,900	22,900	22,900	22,900	22,900	-	0.0%
65430 AUDIT SERVICES	3,295	3,361	2,300	3,400	3,900	500	14.7%
65480 OTHER PROFESSIONAL SERVICES	40	30			-	-	-
68060 DEBT SERVICE (PRINCIPAL & INTEREST)	267,687	267,558	845,175	849,215	769,024	(80,191)	-9.4%
68061 INTEREST EXP - SEWER BANS		17,947			-	-	-
NEW CAPITAL EXPENSES					200,000	200,000	
<b>TOTAL GENERAL OPERATIONS</b>	<b>699,042</b>	<b>669,675</b>	<b>1,230,804</b>	<b>1,257,798</b>	<b>1,345,631</b>	<b>87,833</b>	<b>7.0%</b>
<b>TREATMENT PLANT</b>							
<b>602750</b>							
64010 TREATMENT PLANT LABOR	164,795	165,381	205,288	173,130	171,982	(1,148)	-0.7%
64019 PLANT MAINT LABOR	49,182	56,654	43,091	78,106	56,322	(21,784)	-27.9%
64030 OVERTIME	28,288	32,481	31,829	43,294	50,000	6,706	15.5%
64050 MAINE STATE RETIREMENT	23,899	32,525	33,868	28,144	33,675	5,531	19.7%
64051 ICMA EMPLOYER SHARE	-	-	-	-	2,324	2,324	-
64060 FICA EMPLOYER SHARE	24,423	26,871	27,407	21,767	19,676	(2,091)	-9.6%
65015 CELLULAR PHONE	2,105	20	-	-	-	-	-
65020 TREATMENT PLANT TELEPHONE	1,640	3,572	3,623	3,276	3,400	124	3.8%
65040 TREATMENT PLANT EDUCATIONAL/MT	4,922	5,874	5,481	5,200	5,200	-	0.0%
65200 TREATMENT PLANT ELECTRICITY	80,735	98,097	115,047	100,000	105,000	5,000	5.0%
65220 TREATMENT PLANT WATER	29,047	5,895	3,539	4,172	4,172	-	0.0%
65230 TREATMENT PLANT FUEL (WOOD PELLETS)	13,398	12,404	10,818	15,792	15,000	(792)	-5.0%
65310 TREATMENT PLANT MOTOR VEHICLE	44,729	46,973	43,937	48,743	48,743	-	0.0%
65316 TREATMENT PLANT GENERATOR FUEL	-	1,953	728	2,240	2,240	-	0.0%
65410 TREATMENT PLANT COMPUTER SERV	7,576	4,544	4,142	7,998	7,998	-	0.0%
65480 TREATMENT PLANT OTHER PROF/CON	41,504	81,935	96,636	49,600	55,076	5,476	11.0%
65500 TREATMENT PLANT BLDG MAINT	169	594	1,287	2,000	2,000	-	0.0%
65700 TREATMENT PLANT EXPENSES MISC	1,801	1,211	647	2,000	2,000	-	0.0%
65930 ALARMS	622	1,550	538	2,000	2,000	-	0.0%
65955 TREATMENT PLANT SLUDGE MGT	111,389	102,796	123,288	120,645	130,000	9,355	7.8%
66010 TREATMENT PLANT OFFICE SUPPLIE	24,758	23,690	29,552	24,670	24,670	-	0.0%
66300 TREATMENT PLANT SUPPLIES	5,284	2,059	2,701	2,900	3,000	100	3.4%
66340 LABORATORY CHEMICALS/SUPPLIES	7,701	16,932	7,785	11,945	11,945	-	0.0%
66400 TREATMENT PLANT REPAIRS/STRUCT	62	288	301	1,000	1,000	-	0.0%
66410 TREATMENT PLANT REPAIRS/EQUIPM	7,890	21,911	18,814	20,000	21,000	1,000	5.0%
66420 TREATMENT PLANT TOOL/EQUIPMENT	13,794	28,856	25,569	25,000	26,000	1,000	4.0%
66450 TREATMENT PLANT CHEMICALS & MA	99,993	105,975	88,632	100,000	106,000	6,000	6.0%
66520 TREATMENT PLANT SAFETY EQUIPME	11,744	11,939	10,037	-	12,450	12,450	-
<b>TOTAL TREATMENT PLANT</b>	<b>801,451</b>	<b>892,980</b>	<b>934,585</b>	<b>893,622</b>	<b>922,873</b>	<b>29,251</b>	<b>3.3%</b>

SEWER ENTERPRISE FUND	FY15 ACTUALS	FY16 ACTUALS	FY17 ACTUALS	FY18 BUDGET	FY19 PROPOSED	VARIANCE	%
<b>SEWER LINES AND PUMP STATIONS</b>							
<b>602702</b>							
64010 SEWER LINES LABOR	15,012	19,115	15,805	15,095	18,189	3,094	20.5%
65480 OTHER PROF SERV/CONTRACT SERV	13,859	15,995	16,543	22,050	28,350	6,300	28.6%
66300 SUPPLIES - SEWER LINES	6,606	18,759	2,075	4,500	10,000	5,500	122.2%
<b>TOTAL SEWER LINES</b>	<b>35,477</b>	<b>53,869</b>	<b>34,423</b>	<b>41,645</b>	<b>56,539</b>	<b>14,894</b>	<b>35.8%</b>
<b>PUMP STATION 1</b>							
<b>602710</b>							
64010 PUMP STATION # 1 LABOR	2,751	2,350	2,335	2,323	2,728	405	
65200 PUMP STATION # 1 ELECTRICITY	4,836	5,143	5,282	5,000	5,000	-	
65480 PUMP STATION # 1 CONTRACTOR SE	1,883	1,656	1,704	1,000	1,000	-	
65930 PUMP STATION # 1 ALARM	297	267	268	260	260	-	
66300 PUMP STATION # 1 SUPPLIES	-	3	-	50	50	-	
66320 PUMP STATION # 1 PARTS	237	1,105	58	450	450	-	
<b>TOTAL PUMP STATION # 1</b>	<b>10,003</b>	<b>10,524</b>	<b>9,648</b>	<b>9,083</b>	<b>9,488</b>	<b>405</b>	<b>4.5%</b>
<b>PUMP STATION 2</b>							
<b>602711</b>							
64010 PUMP STATION # 2 LABOR	2,426	2,146	3,808	4,647	3,547	(1,100)	
65200 PUMP STATION # 2 ELECTRICITY	3,120	3,380	3,499	3,800	3,800	-	
65480 PUMP STATION # 2 CONTRACTOR SE	5,760	6,251	1,804	900	900	-	
65930 PUMP STATION # 2 ALARM	297	268	206	300	300	-	
66300 PUMP STATION # 2 SUPPLIES	-	-	-	100	100	-	
66320 PUMP STATION # 2 PARTS	5,624	5,370	424	500	500	-	
<b>TOTAL PUMP STATION # 2</b>	<b>17,227</b>	<b>17,415</b>	<b>9,742</b>	<b>10,247</b>	<b>9,147</b>	<b>(1,100)</b>	<b>-10.7%</b>
<b>PUMP STATION 3</b>							
<b>602712</b>							
64010 PUMP STATION # 3 LABOR	4,710	3,698	3,055	3,098	4,365	1,267	
65200 PUMP STATION # 3 ELECTRICITY	2,052	1,669	1,729	2,000	2,000	-	
65480 PUMP STATION # 3 CONTRACTOR SE	1,955	2,485	2,571	6,000	6,000	-	
65930 PUMP STATION # 3 ALARM	297	268	268	260	260	-	
66300 PUMP STATION # 3 SUPPLIES	67	-	-	50	50	-	
66320 PUMP STATION # 3 PARTS	1,161	1,119	434	650	650	-	
<b>TOTAL PUMP STATION # 3</b>	<b>10,241</b>	<b>9,239</b>	<b>8,057</b>	<b>12,058</b>	<b>13,325</b>	<b>1,267</b>	<b>10.5%</b>
<b>PUMP STATION 4</b>							
<b>602713</b>							
64010 PUMP STATION # 4 LABOR	2,521	2,678	3,751	2,323	3,274	951	
65200 PUMP STATION # 4 ELECTRICITY	1,489	1,442	1,435	1,450	1,450	-	
65480 PUMP STATION # 4 CONTRACTOR SE	1,116	1,793	1,704	1,200	1,500	300	
65930 PUMP STATION # 4 ALARM	297	268	268	300	300	-	
66300 PUMP STATION # 4 SUPPLIES	-	-	-	25	25	-	
66320 PUMP STATION # 4 PARTS	241	537	170	650	650	-	
<b>TOTAL PUMP STATION # 4</b>	<b>5,664</b>	<b>6,718</b>	<b>7,329</b>	<b>5,948</b>	<b>7,199</b>	<b>1,251</b>	<b>21.0%</b>

SEWER ENTERPRISE FUND		FY15	FY16	FY17	FY18	FY19		
		ACTUALS	ACTUALS	ACTUALS	BUDGET	PROPOSED	VARIANCE	%
<b>PUMP STATION 5</b>								
<b>602714</b>								
64010	PUMP STATION # 5 LABOR	1,895	2,276	3,862	2,323	3,274	951	
65200	PUMP STATION # 5 ELECTRICITY	921	1,534	1,777	1,400	1,400	-	
65480	PUMP STATION # 5 CONTRACTOR SE	1,883	1,656	1,704	1,100	1,100	-	
65930	PUMP STATION # 5 ALARM	297	268	945	260	300	40	
66300	PUMP STATION # 5 SUPPLIES	-	-	-	50	50	-	
66320	PUMP STATION # 5 PARTS	237	537	185	450	450	-	
<b>TOTAL PUMP STATION # 5</b>		<b>5,233</b>	<b>6,271</b>	<b>8,473</b>	<b>5,583</b>	<b>6,574</b>	<b>991</b>	<b>17.8%</b>
<b>PUMP STATION 6 - PNSY</b>								
<b>602715</b>								
64010	PUMP STATION # 6 LABOR	16,915	17,092	19,682	6,196	21,827	15,631	
65200	PUMP STATION # 6 ELECTRICITY	24,236	15,107	16,276	16,000	16,000	-	
65220	PUMP STATION # 6 WATER	689	1,215	1,043	1,000	1,000	-	
65315	PUMP STATION GENERATOR FUEL	-	372	471	800	800	-	
65480	PUMP STATION # 6 CONTRACTOR SE	12,425	8,741	5,399	4,725	4,725	-	
65930	PUMP STATION # 6 ALARM	297	398	459	260	300	40	
66300	PUMP STATION # 6 SUPPLIES	246	-	22	1,000	1,000	-	
66320	PUMP STATION # 6 PARTS	2,186	554	4,238	3,050	3,050	-	
<b>TOTAL PUMP STATION # 6 (PNSY)</b>		<b>56,994</b>	<b>43,480</b>	<b>47,588</b>	<b>33,031</b>	<b>48,702</b>	<b>15,671</b>	<b>47.4%</b>
<b>PUMP STATION 7 - ELIOT</b>								
<b>602716</b>								
64010	PUMP STATION # 7 LABOR	11,201	20,304	16,190	4,647	18,553	13,906	
65200	PUMP STATION # 7 ELECTRICITY	4,896	5,396	5,453	4,860	4,860	-	
65220	PUMP STATION # 7 WATER	205	215	231	230	230	-	
65315	PUMP STATION GENERATOR FUEL	-	336	479	425	425	-	
65480	PUMP STATION # 7 CONTRACTOR SE	8,351	5,029	24,754	4,784	4,784	-	
65930	PUMP STATION # 7 ALARM	297	268	269	270	300	30	
66300	PUMP STATION # 7 SUPPLIES	60	100	16	50	50	-	
66320	PUMP STATION # 7 PARTS	6,021	723	12,165	1,550	1,550	-	
<b>TOTAL PUMP STATION # 7 (ELIOT)</b>		<b>31,031</b>	<b>32,372</b>	<b>59,557</b>	<b>16,816</b>	<b>30,752</b>	<b>13,936</b>	<b>82.9%</b>
<b>PUMP STATION 8</b>								
<b>602717</b>								
64010	PUMP STATION # 8 LABOR	5,238	6,195	7,151	6,196	7,639	1,443	
65200	PUMP STATION # 8 ELECTRICITY	11,146	11,882	14,083	10,000	10,000	-	
65220	PUMP STATION # 8 WATER	597	793	680	1,000	1,000	-	
65315	PUMP STATION GENERATOR FUEL	-	327	219	300	350	50	
65480	PUMP STATION # 8 CONTRACTOR SE	10,223	2,274	5,331	8,850	8,850	-	
65930	PUMP STATION # 8 ALARM	297	268	269	280	280	-	
66300	PUMP STATION # 8 SUPPLIES	-	-	-	500	500	-	
66320	PUMP STATION # 8 PARTS	2,637	509	5,747	2,050	2,050	-	
<b>TOTAL PUMP STATION # 8</b>		<b>30,136</b>	<b>22,247</b>	<b>33,479</b>	<b>29,176</b>	<b>30,669</b>	<b>1,493</b>	<b>5.1%</b>
<b>PUMP STATION 9</b>								
<b>602718</b>								
64010	PUMP STATION # 9 LABOR	2,615	3,787	3,272	6,196	3,820	(2,376)	
65200	PUMP STATION # 9 TELEPHONE	578	853	667	600	600	-	
65220	PUMP STATION # 9 ELECTRICITY	8,093	8,736	11,053	10,000	10,000	-	
65315	PUMP STATION # 9 WATER	204	272	233	225	225	-	
65480	PUMP STATION GENERATOR FUEL	-	-	225	500	500	-	
65930	PUMP STATION # 9 CONTRACTOR SE	5,699	3,148	2,809	6,060	6,060	-	
66300	PUMP STATION # 9 ALARM	297	268	269	280	300	20	
66320	PUMP STATION # 9 SUPPLIES	70	95	120	120	120	-	
602718	PUMP STATION # 9 PARTS	343	47	454	850	850	-	
<b>TOTAL PUMP STATION # 9</b>		<b>17,898</b>	<b>17,205</b>	<b>19,101</b>	<b>24,831</b>	<b>22,475</b>	<b>(2,356)</b>	<b>-9.5%</b>

## SEWER ENTERPRISE FUND

	FY15 ACTUALS	FY16 ACTUALS	FY17 ACTUALS	FY18 BUDGET	FY19 PROPOSED	VARIANCE	%
<b>PUMP STATION 10</b>							
<b>602719</b>							
64010 PUMP STATION #10 LABOR	2,479	4,278	6,029	2,323	3,820	1,497	
65200 PUMP STATION #10 ELECTRICITY	988	1,057	745	500	600	100	
65480 PUMP STATION #10 CONTRACTOR SE	1,462	2,967	7,089	1,000	2,000	1,000	
65930 PUMP STATION #10 ALARM	297	268	339	260	260	-	
66300 PUMP STATION #10 SUPPLIES	-	26	-	50	50	-	
66320 PUMP STATION #10 PARTS	315	7,006	1,293	500	1,000	500	
<b>TOTAL PUMP STATION #10</b>	<b>5,542</b>	<b>15,602</b>	<b>15,496</b>	<b>4,633</b>	<b>7,730</b>	<b>3,097</b>	<b>66.8%</b>
<b>PUMP STATION 11</b>							
<b>602720</b>							
64010 PUMP STATION #11 LABOR	1,837	2,560	3,050	2,323	3,001	678	
65200 PUMP STATION #11 ELECTRICITY	1,626	1,544	1,157	1,000	1,000	-	
65480 PUMP STATION #11 CONTRACTOR SE	2,497	2,482	3,832	1,000	1,000	-	
65930 PUMP STATION #11 ALARM	297	268	331	260	300	40	
66300 PUMP STATION #11 SUPPLIES	-	22	25	25	25	-	
66320 PUMP STATION #11 PARTS	465	553	463	550	550	-	
<b>TOTAL PUMP STATION #11</b>	<b>6,722</b>	<b>7,429</b>	<b>8,857</b>	<b>5,158</b>	<b>5,876</b>	<b>718</b>	<b>13.9%</b>
<b>PUMP STATION 12</b>							
<b>602721</b>							
64010 PUMP STATION #12 LABOR	4,003	1,637	2,851	2,323	3,274	951	
65200 PUMP STATION #12 ELECTRICITY	882	1,321	877	700	700	-	
65480 PUMP STATION #12 CONTRACTOR SE	1,955	4,004	2,414	1,000	1,000	-	
65930 PUMP STATION #12 ALARM	297	268	269	260	350	90	
66300 PUMP STATION #12 SUPPLIES	-	49	-	25	25	-	
66320 PUMP STATION #12 PARTS	253	4,421	122	400	400	-	
<b>TOTAL PUMP STATION #12</b>	<b>7,389</b>	<b>11,699</b>	<b>6,532</b>	<b>4,708</b>	<b>5,749</b>	<b>1,041</b>	<b>22.1%</b>
<b>PUMP STATION 13</b>							
<b>602722</b>							
64010 PUMP STATION #13 LABOR	5,581	2,372	4,492	4,647	4,365	(282)	
65200 PUMP STATION #13 ELECTRICITY	5,483	5,798	6,532	5,700	5,700	-	
65480 PUMP STATION #13 CONTRACTOR SE	5,958	1,831	2,079	2,000	2,000	-	
65930 PUMP STATION #13 ALARM	297	268	269	260	300	40	
66300 PUMP STATION #13 SUPPLIES	-	-	-	50	50	-	
66320 PUMP STATION #13 PARTS	5,465	297	58	750	750	-	
<b>TOTAL PUMP STATION #13</b>	<b>22,784</b>	<b>10,565</b>	<b>13,430</b>	<b>13,407</b>	<b>13,165</b>	<b>(242)</b>	<b>-1.8%</b>
<b>PUMP STATION 14</b>							
<b>602723</b>							
64010 PUMP STATION #14 LABOR	1,444	4,082	2,106	2,323	3,001	678	
65200 PUMP STATION #14 ELECTRICITY	977	762	1,147	750	750	-	
65480 PUMP STATION #14 CONTRACTOR SE	2,304	4,472	1,974	650	1,000	350	
65930 PUMP STATION #14 ALARM	297	268	804	260	300	40	
66300 PUMP STATION #14 SUPPLIES	-	-	-	25	25	-	
66320 PUMP STATION #14 PARTS	237	4,644	170	400	400	-	
<b>TOTAL PUMP STATION #14</b>	<b>5,259</b>	<b>14,228</b>	<b>6,200</b>	<b>4,408</b>	<b>5,476</b>	<b>1,068</b>	<b>24.2%</b>

SEWER ENTERPRISE FUND		FY15	FY16	FY17	FY18	FY19	VARIANCE	%
		ACTUALS	ACTUALS	ACTUALS	BUDGET	PROPOSED		
<b>PUMP STATION 15</b>								
<b>602724</b>								
64010	PUMP STATION #15 LABOR	1,565	1,666	1,322	2,323	2,183	(140)	
65200	PUMP STATION #15 ELECTRICITY	422	605	731	600	600	-	
65480	PUMP STATION #15 CONTRACTOR SE	1,883	1,907	1,704	1,000	1,000	-	
65930	PUMP STATION #15 ALARM	297	268	269	260	300	40	
66300	PUMP STATION #15 SUPPLIES	-	-	-	25	25	-	
66320	PUMP STATION #15 PARTS	237	537	170	400	500	100	
<b>TOTAL PUMP STATION #15</b>		<b>4,404</b>	<b>4,983</b>	<b>4,196</b>	<b>4,608</b>	<b>4,608</b>	<b>(0)</b>	<b>0.0%</b>
<b>PUMP STATION 16</b>								
<b>602725</b>								
64010	PUMP STATION #16 LABOR	1,902	1,668	(1,326)	2,323	2,728	405	
65200	PUMP STATION #16 ELECTRICITY	645	875	1,004	700	700	-	
65480	PUMP STATION #16 CONTRACTOR SE	2,316	1,656	1,705	700	700	-	
65930	PUMP STATION #16 ALARM	297	268	269	260	300	40	
66300	PUMP STATION #16 SUPPLIES	-	-	-	25	25	-	
66320	PUMP STATION #16 PARTS	241	537	170	475	475	-	
<b>TOTAL PUMP STATION #16</b>		<b>5,400</b>	<b>5,003</b>	<b>1,820</b>	<b>4,483</b>	<b>4,928</b>	<b>445</b>	<b>9.9%</b>
<b>PUMP STATION 17</b>								
<b>602726</b>								
64010	PUMP STATION #17 LABOR	953	2,134	2,206	2,323	2,456	133	
65200	PUMP STATION #17 ELECTRICITY	449	974	823	800	800	-	
65480	PUMP STATION #17 CONTRACTOR SE	1,116	4,829	1,825	700	700	-	
65930	PUMP STATION #17 ALARM	297	268	269	260	300	40	
66300	PUMP STATION #17 SUPPLIES	-	46	9	25	25	-	
66320	PUMP STATION #17 PARTS	249	3,896	998	525	525	-	
<b>TOTAL PUMP STATION #17</b>		<b>3,065</b>	<b>12,147</b>	<b>6,130</b>	<b>4,633</b>	<b>4,806</b>	<b>173</b>	<b>3.7%</b>
<b>PUMP STATION 18</b>								
<b>602727</b>								
64010	PUMP STATION #18 LABOR	1,329	1,745	1,900	2,323	2,183	(140)	
65200	PUMP STATION #18 ELECTRICITY	1,284	715	889	700	700	-	
65480	PUMP STATION #18 CONTRACTOR SE	1,883	1,656	1,705	1,368	1,368	-	
65930	PUMP STATION #18 ALARM	302	268	269	260	300	40	
66300	PUMP STATION #18 SUPPLIES	-	-	-	25	25	-	
66320	PUMP STATION #18 PARTS	237	537	175	650	650	-	
<b>TOTAL PUMP STATION #18</b>		<b>5,034</b>	<b>4,921</b>	<b>4,937</b>	<b>5,326</b>	<b>5,226</b>	<b>(100)</b>	<b>-1.9%</b>
<b>PUMP STATION 19</b>								
<b>602728</b>								
64010	PUMP STATION #19 LABOR	1,001	2,137	2,795	2,323	2,183	(140)	
65200	PUMP STATION #19 ELECTRICITY	628	347	290	415	415	-	
65480	PUMP STATION #19 CONTRACTOR SE	1,741	2,348	8,995	900	1,000	100	
65930	PUMP STATION #19 ALARM	292	368	429	260	300	40	
66300	PUMP STATION #19 SUPPLIES	-	-	-	25	25	-	
66320	PUMP STATION #19 PARTS	149	7,225	442	450	450	-	
<b>TOTAL PUMP STATION #19</b>		<b>3,811</b>	<b>12,425</b>	<b>12,950</b>	<b>4,373</b>	<b>4,373</b>	<b>(0)</b>	<b>0.0%</b>

SEWER ENTERPRISE FUND	FY15 ACTUALS	FY16 ACTUALS	FY17 ACTUALS	FY18 BUDGET	FY19 PROPOSED	VARIANCE	%
<b>PUMP STATION 20</b>							
<b>602729</b>							
64010 PUMP STATION #20 LABOR	998	2,240	1,145	2,323	1,910	(413)	
65200 PUMP STATION #20 ELECTRICITY	133	527	371	200		(200)	
65480 PUMP STATION #20 CONTRACTOR SE	974	2,461	1,705	600	1,000	400	
65930 PUMP STATION #20 ALARM	297	268	269	260	300	40	
66300 PUMP STATION #20 SUPPLIES	-	-	-	25	25	-	
66320 PUMP STATION #20 PARTS	133	1,908	92	250	250	-	
<b>TOTAL PUMP STATION #20</b>	<b>2,536</b>	<b>7,404</b>	<b>3,581</b>	<b>3,658</b>	<b>3,485</b>	<b>(173)</b>	<b>-4.7%</b>
<b>PUMP STATION 21</b>							
<b>602730</b>							
64010 PUMP STATION #21 LABOR	2,899	3,028	2,918	3,098	3,274	176	
65200 PUMP STATION #21 ELECTRICITY	2,415	2,805	3,052	2,400	2,400	-	
65315 PUMP STATION GENERATOR FUEL	-	-	91		200	200	
65480 PUMP STATION #21 CONTRACTOR SE	1,883	1,334	1,892	550	1,300	750	
65930 PUMP STATION #21 ALARM	297	268	269	260	300	40	
66300 PUMP STATION #21 SUPPLIES	-	-	-	25	25	-	
66320 PUMP STATION #21 PARTS	241	1,062	218	450	450	-	
<b>TOTAL PUMP STATION #21</b>	<b>7,734</b>	<b>8,497</b>	<b>8,439</b>	<b>6,783</b>	<b>7,949</b>	<b>1,166</b>	<b>17.2%</b>
<b>PUMP STATION 22</b>							
<b>602731</b>							
64010 PUMP STATION # 22 LABOR	-	25	1,558	4,647	1,910	(2,737)	
65200 PUMP STATION # 22 ELECTRICITY	-	329	1,707	1,200	1,200	-	
65480 PUMP STATION # 22 CONTRACTED	-	-	1,080	600	600	-	
65930 PUMP STATION # 22 ALARM	-	44	259	260	300	40	
66300 PUMP STATION # 22 SUPPLIES	-	-	-	25	25	-	
66320 PUMP STATION # 22 PARTS	-	-	423	500	500	-	
<b>TOTAL PUMP STATION #22</b>	<b>-</b>	<b>398</b>	<b>5,027</b>	<b>7,232</b>	<b>4,535</b>	<b>(2,697)</b>	<b>-37.3%</b>
<b>PUMP STATION 23</b>							
<b>602732</b>							
64010 PUMP STATION # 23 LABOR	-	25	1,802	2,323	1,910	(413)	
65200 PUMP STATION # 23 ELECTRICITY	-	396	559	1,600	1,000	(600)	
65480 PUMP STATION # 23 CONTRACTED	-	-	1,023	550	550	-	
65930 PUMP STATION #23 ALARM	-	44	259	260	300	40	
66300 PUMP STATION #23 SUPPLIES	-	-	-	25	25	-	
66320 PUMP STATION # 23 PARTS	-	-	600	450	450	-	
<b>TOTAL PUMP STATION #23</b>	<b>-</b>	<b>465</b>	<b>4,243</b>	<b>5,208</b>	<b>4,235</b>	<b>(973)</b>	<b>-18.7%</b>
<b>PUMP STATION 24</b>							
<b>602733</b>							
64010 PUMP STATION # 24 LABOR	-	-	2,442	3,098	1,910	(1,188)	
65200 PUMP STATION # 24 ELECTRICITY	-	460	817	600	600	-	
65480 PUMP STATION # 24 CONTRACTED	-	-	1,020	550	550	-	
65930 PUMP STATION # 24 ALARM	-	44	259	260	300	40	
66300 PUMP STATION # 24 SUPPLIES	-	-	-	25	25	-	
66320 PUMP STATION # 24 PARTS	-	-	618	600	600	-	
<b>TOTAL PUMP STATION #24</b>	<b>-</b>	<b>504</b>	<b>5,157</b>	<b>5,133</b>	<b>3,985</b>	<b>(1,148)</b>	<b>-22.4%</b>
<b>TOTAL LINES AND PUMP STATIONS</b>	<b>299,583</b>	<b>335,609</b>	<b>344,392</b>	<b>272,169</b>	<b>320,997</b>	<b>48,828</b>	<b>17.9%</b>
<b>TOTAL SEWER ENTERPRISE</b>	<b>1,800,076</b>	<b>1,898,265</b>	<b>2,509,781</b>	<b>2,423,589</b>	<b>2,589,501</b>	<b>165,912</b>	<b>6.8%</b>

Town of Kittery  
 New/Replacement Schedule and Estimated Costs  
 Sewer Dept  
 2018  
 Vehicles and Equipment

Unit	2018					2019				2020			2021		2022		2023
	Year Purchased	Cost	Description	2019 Replacement	2020 Replacement	2021 Replacement	2022 Replacement	2023 Replacement	2024 Replacement	2025 Replacement	2026 Replacement	2027 Replacement	2028 Replacement	2029 Replacement	2030 Replacement		
Pump Station #13 Gen	2019	100,000	100 KW	102,500													
452	2011	95,000	F-550 Dump	97,375													
451	2010	63,000	F-550 Utility	64,575													
Tank #1 Diff	2008	33,436	Aeration diffusers	34,272													
PS # 7 controls	2012	10,000	Panel	10,250													
Quansit bldgt	2004	3,500		3,588													
Computer Lab	2014	1,500	window 7	1,538													
Computer sca,	2014	1,500	window 7	1,538													
Computer CO	2014	1,500	window 7	1,538													
Computer sca,	2014	1,500	window 7	1,538													
Computer sup	2014	1,500	window 7	1,538													
Computer surv	2011	1,500	window 7	1,538													
Computer GPS	2012	1,500	window 7	1,538													
Lap top 1	2012	500	window 7	513													
lap top 2	2014	500	window 7	513													
Magnum Gen	2012	35,000	Portable		36,772												
Plant Panel	1993	20,000	Aqua Areobic		21,013												
Onan Gen 1	1998	20,000	Portable		21,013												
Onan Gen 2	1998	20,000	Portable		21,013												
Digester Blr 2	2008	12,000	Tuthill		12,608												
PS #13 contr pan	2007	10,000	upgrade		10,506												
CL2 tank	1993	6,000	Poly		6,304												
PS#8 VFD 1	2010	5,000	panel		5,253												
Chem pump 1	2010	3,000	hose pump		3,152												
Chem pump 2	2010	3,000	hose pump		3,152												
Chem pump 3	2010	3,000	hose pump		3,152												
Chem pump 4	2010	3,000	hose pump		3,152												
Bisulfite tank	1993	2,000	Poly		2,101												
Security Fence	1993	40,000															45,256
EQ Pump 1	2006	18,000	Submersible														20,365
EQ Pump 2	2006	18,000	Submersible														20,365
EQ pump 3	2006	18,000	Submersible														20,365
Headworks Roof	1993	15,000															16,971
Chem/Blower Room roof	1993	15,000															16,971
Decantors tnk1	2006	10,000	10 foot Float														11,314
Decantors tnk1	2006	10,000	10 foot Float														11,314
Decantors tnk2	2006	10,000	10 foot Float														11,314
Decantors tnk2	2006	10,000	10 foot Float														11,314
Hworks Grt Pmp	2017	6,000	Grit Pump Headworks														
Headwks Blr 1	2014	1,500	RIA 24 2"														
Headwks Blr 2	2014	1,500	RIA 24 2"														
Skid Steer	2010	42,500	New Holland														
Digester Blr 1	2014	15,000	Easyair X2														
Bio Filter medea	2017	7,000	media and blower				7,538										
Lakeside HDW	2008	47,000	Rotating Bar screen														
Pellet Boiler plt	2008	44,000	Maine Energy system														
Pellet Boiler Cen	2008	44,000	Maine Energy system														
Tank #2 Diff	2016	33,436	Aeration diffusers														
PS# 7 Generator	2007	70,000	Kohler														
400	2011	42,675	I-225														
Auma Actuator 1	2012	7,800	Influent valve														
Auma Actuator 2	2012	7,800	Decantor Valve Tnk 1														
Auma Actuator 3	2012	7,800	Decantor Valve tnk 2														
Auma Actuator 4	2012	7,800	Airline Tnk 1														
Auma Actuator 5	2012	7,800	Airline Tnk 2														
Airation Blw 1	2017	5,000	Aeration Blowers														5,519
Airation Blw 2	2017	5,000	Aeration Blowers														5,519
Airation Blw 3	2017	5,000	Aeration Blowers														5,519
Jet Rodder	2011	43,400	Model- 184														
Septage Pumps	2015	63,000	Wempco														
Plant/ PS Electric VFDs	2015	367,000	VFD install														
PS #9 Generator	1993	100,000	Cat														
PS# 6 Generator	1993	70,000	Cat														
PS # 21 Generator	2014	70,000	CAT														
Plant Generator	2014	250,000	CAT														
PS # 22 Generator	2014	100,000	Kohler														
PS # 23	2014	70,000	Kohler														
PS # 24	2014	70,000	Kohler														
JD Loader	1996	25,000	John Deere 544 E														27,595
Garage Roof	2014	25,000															
Ash Shed Roof	2010	10,000															
Office/ Lab Roof	2011	24,800															
Plant Windows	2015	37,000															
Gen Barn	2010	10,000															
Paving at Main Plant	2015	31,900															
<b>Sewer Capital Reserve</b>				<b>200,000</b>	<b>75,653</b>	<b>126,464</b>	<b>272,189</b>	<b>428,037</b>									
<b>Total Projected Expense</b>				<b>324,347</b>	<b>149,189</b>	<b>54,275</b>	<b>44,153</b>	<b>185,551</b>									
<b>Reserve Balance</b>				<b>(124,347)</b>	<b>(73,536)</b>	<b>72,189</b>	<b>228,037</b>	<b>242,486</b>									