

Kittery's Fiscal Capacity and Capital Investment

FISCAL POSITION

- Kittery's local valuation increased by 4 percent between 2010 and 2015, in contrast to the state as whole which saw a decrease of 21 percent over the same time period
- Between 2010 and 2015, the local tax rate increased by 10 percent
- Between 2010 and 2015, individual property tax bills increased by an average of \$495. For 2015, the average single family property tax bill was \$4,929
- Approximately 78 percent of Kittery's valuation is derived from residential properties, with 22 percent coming from commercial, industrial, and personal property
- Federal and state aid to Kittery has been shrinking which increases the reliance on locally-generated taxes



The local government depends on the residential property base to generate revenues for services

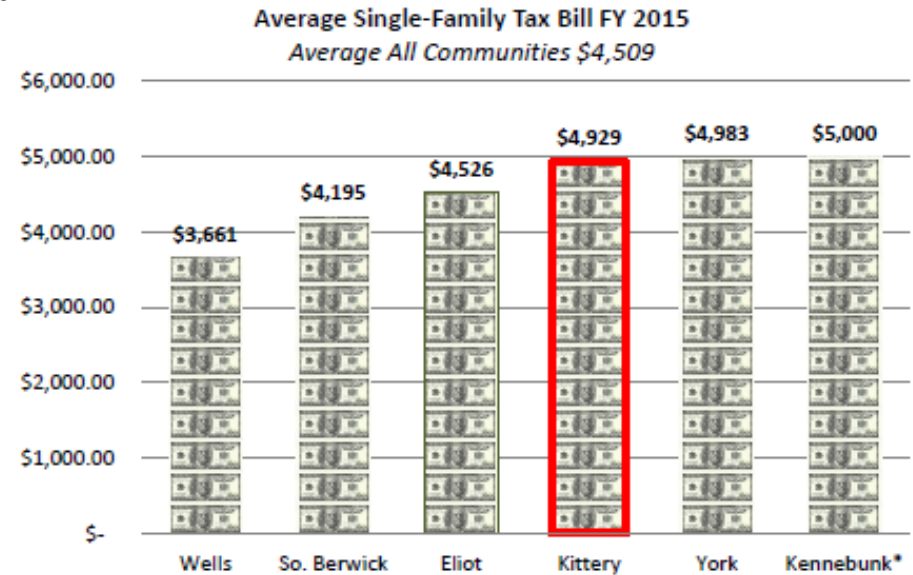
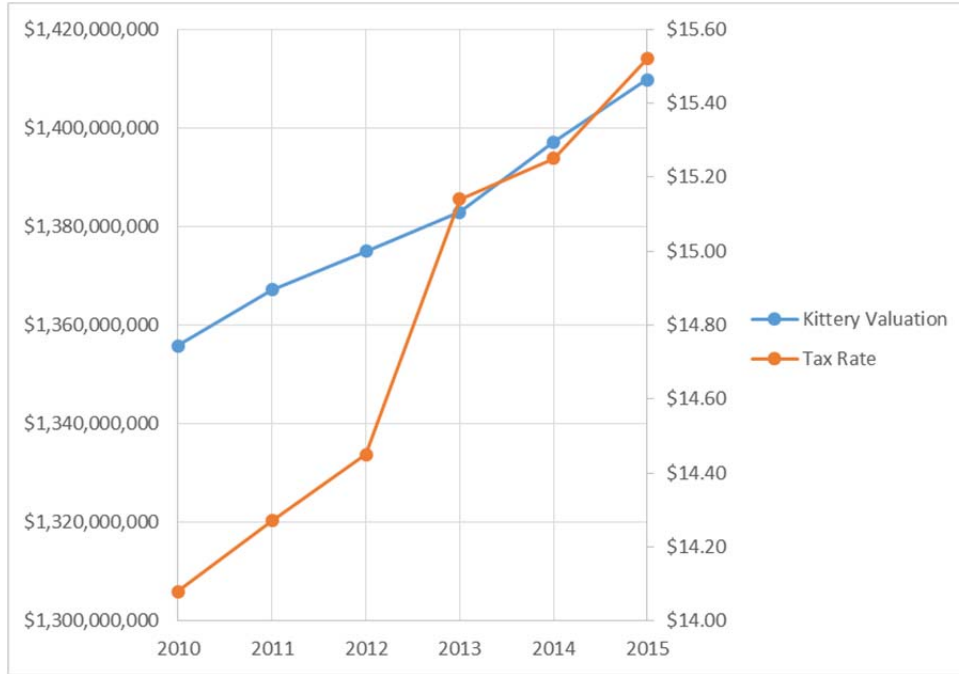
BUDGET

- Revenue:
 - Total revenue in Fiscal Year 2015 budget was \$27,124,366; property tax accounted for 80 percent of total
 - The State of Maine has a revenue sharing program which helps supplement the budget
- Expenses:
 - In Fiscal Year 2015, the Town spent \$27,141,118 on town functions, services and schools; school costs accounted for nearly 55 percent of the budget. Only 9 percent of the budget was spent on governmental administrative expenses
- Debt:
 - The Town has long-term debt obligations of \$32,545,880 or 2.17 percent of the State Valuation
- Investments:
 - At the end of Fiscal Year 2014, the Town had an unassigned fund budget totaling \$4,345,203, which was an increase of \$187,965 over the Fiscal Year 2013
- Capital Improvement Program:
 - A majority of capital improvement funding goes toward standard expenses such as equipment and maintenance, sidewalks, school upgrades, and parks and recreation facilities

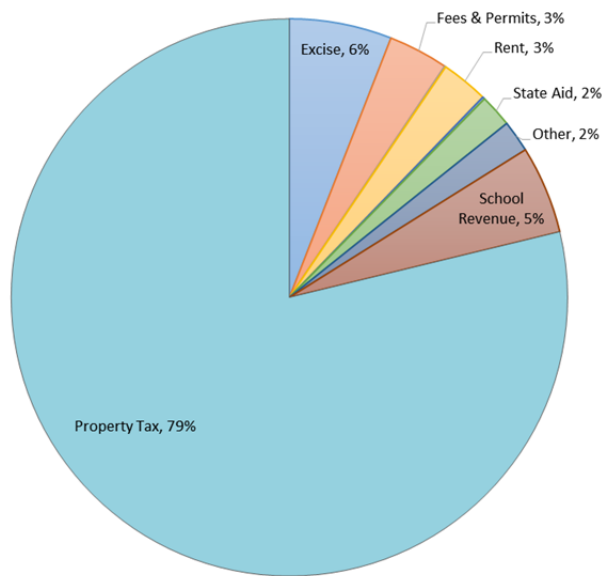
WHAT DOES IT MEAN?

- Stewardship of Town budgetary resources is essential toward leveraging greater economic development
- The Town has undertaken debt obligations to finance development, particularly in the Tax Increment Finance Districts; it is imperative that increment on development is generated in order to pay the bonds
- Kittery is highly dependent on residential property taxes and may need to create opportunities to diversify revenues through economic development

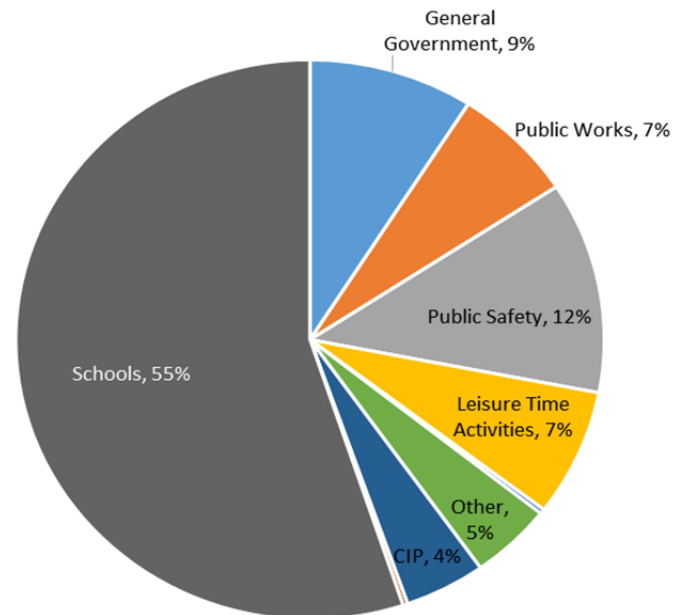
Kittery's valuation and tax rate have been increasing since 2010



A comparison of revenue sources to expenditure items from the Fiscal Year 2015



Revenue Sources



Expenditures