

**TOWN OF KITTERY, MAINE**



**TOWN BUDGET  
FISCAL YEAR 2020**

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**GENERAL AND ENTERPRISE FUNDS**

**JULY 1, 2019 TO JUNE 30, 2020**

**TOWN COUNCIL**

Judith Spiller, Chair  
Matt Brock, Vice-Chair  
Cyrus Clark  
Charles Denault  
Kenneth Lemont  
Jeffrey Pelletier  
Jeffrey Thomson

**Town Manager**

Kendra Amaral

**Finance Director**

Brenda Fox-Howard

**SUBMITTED MAY 13, 2019**

200 Rogers Road  
Kittery, ME 03094



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## **TOWN MANAGER'S BUDGET MESSAGE**

It is my honor to submit the Fiscal Year 2020 (FY20) operating and enterprise fund budgets for the Town of Kittery, for the period of July 1, 2019 to June 30, 2020. This budget, though divided by department or function, represents the collective spending plan for the delivery of core municipal services. It was developed with the assistance and input of our talented team of 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 organizational goals, financial goals, and funding limitations, all for the purpose of fulfilling the expectations of the voters, residents, and businesses of Kittery.

The prior two fiscal years' spending plan were focused on "recalibration". The FY20 spending plan begins the stabilization process for the operational budgets and responds to the expectations for additional or enhanced services expressed by the Council and taxpayers.

In the prior year, the department budgets and specific lines within them were reassigned and regrouped. This effort continues in the FY20 budget with consolidation of lines within the Planning and Development Department budget and the Sewer budget.

The FY20 budget focuses on responding to the challenges of maintaining, and in some cases enhancing service, managing the impact of retirements on operations, filling positions with low-unemployment, and accounting for market forces that impact the increased cost of supplies and services.

Kittery's financial position is strong. The town's bond rating remains at AA+ (Standard & Poor's rating). The unassigned fund balance for the municipal operation grew \$770,00. This growth is the result of stronger than anticipated revenues and controlled spending by municipal departments. It is also the direct result of the "recalibration" that has occurred over the past two years, with budgets that reflect actual anticipated costs, rather than optimistic estimates. The town currently holds 2.6 months of its budgeted expenditures (municipal and school combined) in reserves, which is consistent with the town's policy.

The Town of Kittery has historically been an economically diverse community. The town remains home to both multi-generational families and newcomers. Kittery is focused on remaining an affordable place where families can live, work, and enjoy the bounty of experiences in southern York County from birth through retirement.

The challenges of remaining affordable are felt from multiple angles. Sale and rental prices for Kittery housing continue their steady climb, pricing out existing residents looking to upsize or downsize their home, and newcomers looking to move to Kittery. The tax rate is also

experiencing significant pressure, in part due to assessed values being well below market values and in part due to the growing cost of providing school, town, and county services.

As a primary budget goal, the Town Council established the maintenance of a stable tax rate. The FY20 budget reflects the municipal and school leadership's best efforts to achieve this goal in the face of steadily increasing prices for supplies and services, and a tight labor market that drives up wages and benefit costs.

The town's projected growth is primarily in residential and service businesses such as restaurants and hotels. The town has added 27 new housing units, one hotel, and approximately 10 service businesses in just the past year. This growth does not reflect the additional employment and construction activity occurring on the federal naval installation in Kittery. Offsetting these gains is the declining brick-and-mortar retail industry. Kittery's last economic boom period was centered around outlet malls that line a large portion of Route 1 in town. This same stretch of road will be key to new and exciting growth in town, though it will not likely be driven by retail stores. The town is projected to add an additional \$20M in property value for FY20. The town's historic property value growth is \$12M to \$15M.

The FY20 budget plans for a continued focus on economic development through the Planning and Development department. This focus in just the past year has led to the redevelopment of a blighted abandoned site on Route 1, and preliminary planning work on a targeted growth area in town. Well planned growth creates downward pressure on the tax rate, as there is more property to spread the cost of education and municipal services over.

At present, the town is projected to set assessed real property values at 80% of market value. The state requires a community revalue if the ratio is 70% or below, or every 10 years whichever comes first. Due to the strong growth in residential values and depressed value in brick-and-mortar retail, a real estate revaluation is planned for FY20. The impact could result in a \$1.00 reduction in the tax rate.

A significant portion of the growth in town has occurred in its TIF districts. Interestingly, the growth was not the result of public investment in infrastructure, or from development credits or tax incentive financing. The value growth in TIF districts is causing a significant increase in the TIF "expense", which simply reflects a passthrough of tax revenue from the general fund to a restricted fund for TIF district infrastructure improvements. TIF funds cannot be used to fund general municipal operations or capital projects that do not have a direct or connected benefit to the specific TIF district.

A strong economy signals more than just the opportunity for growth in valuation. It also means higher municipal costs. The State of Maine's unemployment remains below the national average, at 3.4% as of March 2019. Higher cost of living, and an aging state population is adding to the challenge of attracting and retaining entry-level and professional employees and is driving up personnel costs.

The prices for contracts and vendor-provided services are increasing as vendors are experiencing similar employment challenges and turning away work due to high demand. Recent trade wars with China are impacting the cost of manufactured goods and equipment.

Significant impact of the trade war with China is being experienced in the municipal waste costs. The recycling market for a number of materials has bottomed out, with some recycled materials being stored or diverted to waste-to-energy plants and landfills. Revenue from recycling is dropping while the cost of disposing of waste is increasing.

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. The focus needs to remain on long-term planning and strong well-managed growth.

The FY20 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 FY20 budget goals on January 14, 2019. 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, support implementation of the Town's Comprehensive Plan, 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 2019 annual goals include:

- Work with local and regional organizations to attract and sustain appropriate local economic investment.
- Propose and implement zoning amendments that support desired growth in targeted growth areas including Route 1, and the Route 1 Bypass.
- Implement a tax lien policy and address tax liens from prior years.
- Launch a climate adaptation study.

- Develop an Accessory Dwelling Unit ordinance and affordable housing overlay zone to increase the variety of housing stock.
- Complete the joint Land Use Study and identify traffic management solutions for implementation.
- Advance the Rice Library renovation and expansion planning.
- Evaluate the Fire Chief position for transition to full-time.

The FY20 budget has been developed to support the achievement of these goals. Specifically, the FY20 budget includes:

- Shifts the Stormwater Coordinator to full-time in DPW for greater focus on environmental needs; the cost is being offset by eliminating the part-time Assistant Code Enforcement Officer in Planning.
- Supports training and education to develop existing employees' skills and prepare them for promotion and advancement within the organization.
- Funds a real estate property revaluation to ensure all property owners are paying their fair share based on the current property market and to help stabilize the tax rate.
- Enhances IT services to reduce disruption and inefficiency of services for customers and prevent technology-generated disruptions for the operation.
- Includes funding for the full-time Fire Chief.
- Includes funding for the Rice Library Building design effort and incorporates the Library as a town department.

## **BUDGET SUMMARY**

The proposed FY20 budget, inclusive of municipal, school, and capital spending has a total increase in expenditures of \$1,371,555, an approximate 4.33% increase over the prior fiscal year. For comparison, the FY19 budget represented a \$1,385,388 increase, or approximately 4.6%.

The majority of this increase is raised through the tax levy, which is projected to increase \$1,009,171 in total.

There are a number of contributing factors to the budget increase including:

- \$689,273 increase in school spending, approximately 4%. When factoring in offsetting school revenue, the total tax appropriation request increased \$502,032, representing at 3.3% increase on tax dollars to support the School Department.
- \$285,236 increase in capital spending, approximately 16.75%. This includes the remaining \$400,000 for the Rice Library renovation and expansion design, and \$240,000 for an LED streetlight conversion project which will net operating savings. Future capital spending is expected to level off in FY21 and onward.
- \$262,898 increase in municipal spending, or approximately 2.24 %, for municipal operations including the transition to a full-time Animal Control Officer, a full-time Fire Chief, enhanced IT services, and the first year of a three-year implementation of the real estate property revaluation.

- \$134,147 in County Taxes and TIF District allocations, approximately 13.5%. These are mandatory costs that are not adjustable by the administration or Council.

The majority of value growth has been in the TIF Districts, meaning the impact of the cost increases are borne by all other taxpayers, as the TIF District parcels are sheltered. This has resulted in a projected tax rate increase of \$0.60; a figure significantly higher than desired.

I can only address the municipal operations budget (exclusive of County Tax and TIFs) and the capital budget. The capital budget is worthy of protection, as it brings the town to a reasonable and stable capital investment level that can carry forward for years to come. The municipal operations budget presented herein reflects a less flexible budget than I prefer, but a responsible and responsive budget to the taxpayers needs and constraints.

I wish to thank our Department Heads, and our Administrative Assistant Suzanne Esposito for their invaluable assistance in developing this budget proposal.

Sincerely,

A handwritten signature in black ink, appearing to read 'Kendra', with a long horizontal flourish extending to the right.

Kendra Amaral  
Town Manager

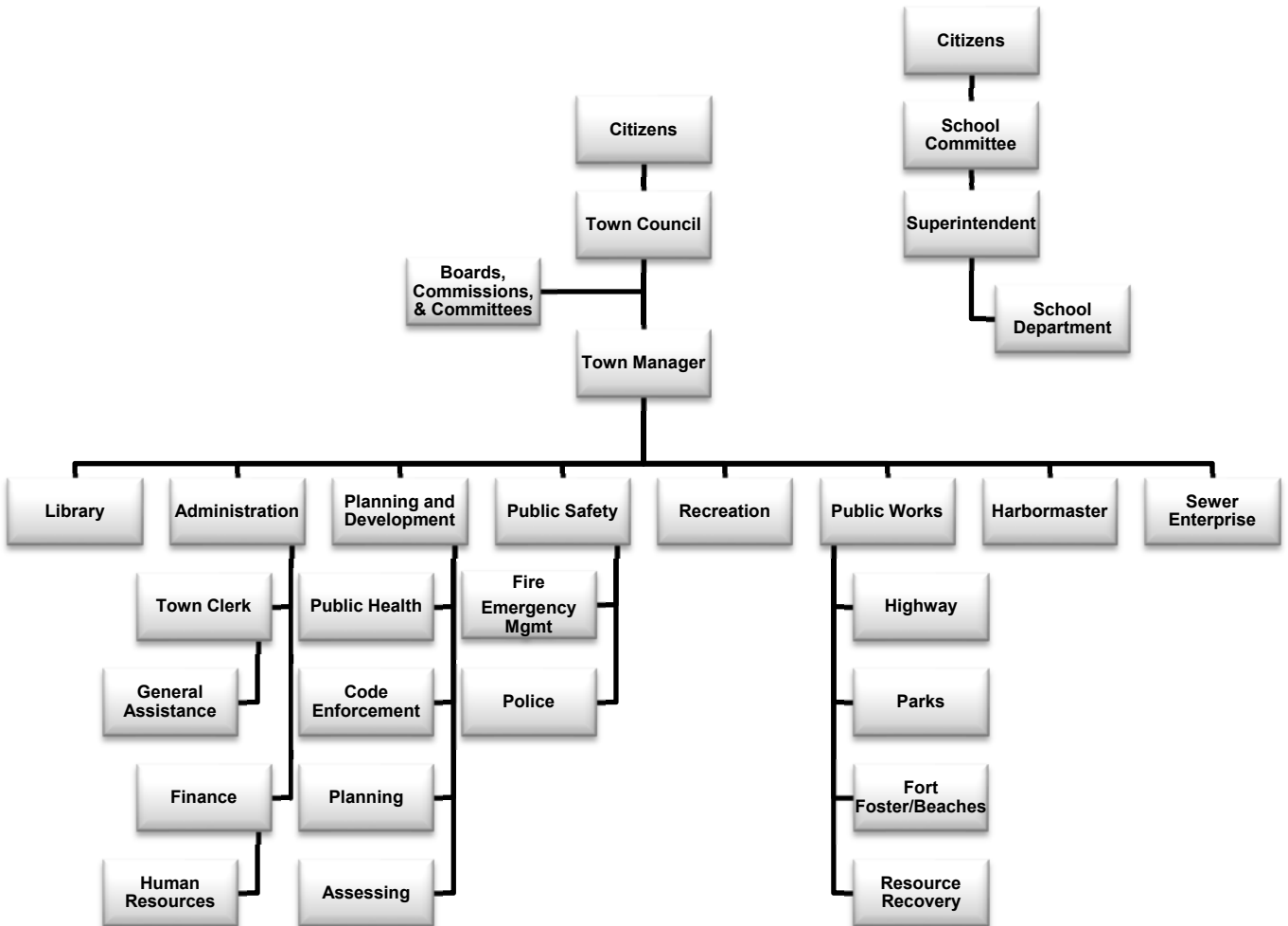


# Section I Overview



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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

#### **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 2017 U.S. Census projection, Kittery has a population of 9,649, and continues to be the 22nd most populated municipality in Maine<sup>4</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 \$73,287. Approximately 2.6% 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 \$72,384<sup>1</sup>. The city is accessible from Kittery by three bridges over the Piscataqua River.

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

### Comparisons of Population, State Valuation<sup>2</sup>, Municipal Budget<sup>3</sup> and 2019 Tax Rate<sup>4</sup>

	2016 Population	2019 State Valuation	2019 Municipal Budget	2019 Tax Rate
Wells	10,048	\$ 3,328,650,000	\$13,805,087	\$ 10.32
Kennebunk	11,223	\$ 2,492,800,000	\$12,276,449	\$ 17.50
Old Orchard Beach	8,745	\$ 1,750,600,000	\$16,296,533	\$ 15.30
Kittery	9,649	\$ 1,719,900,000	\$13,441,981	\$ 16.80

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 each year.

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 nuclear-powered submarines. The Shipyard employs over 8,000 civilian and

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<sup>1</sup>Population and demographic information from U.S. Census Bureau, 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

non-civilian personnel and has planned growth with approximately \$109M in infrastructure investment planned.

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. Development is continuing at a responsible and manageable rate in the commercial and manufacturing sectors. The available residential housing stock is limited, sustaining a competitive housing market. Median list price as of January 2019 was \$375,000, with 77 homes currently on the market<sup>5</sup>. The Maine Housing Authority indicates Kittery has seen a 15% increase in median housing prices since 2017.

This period of economic interest and growth can be harnessed to support the town's long-term goals and be consistent with the town's comprehensive plan. The comprehensive plan provides a vision for the town's growth; identifying areas for appropriate investment in economic and community development, and public infrastructure to ensure the surge in growth is responsible and beneficial for Kittery.

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<sup>5</sup> Source: Realor.com

## BUDGET OVERVIEW

Revenue	FY16 Actual	FY17 Actual	FY18 Actual	FY19 Budget	FY20 Proposed	Difference
<b>Taxes</b>						
Property Tax Revenue (Net Abatements)	22,518,416	22,948,977	23,726,909	24,541,734	25,550,905	1,009,171
PILOTS	14,722	-	1,817	7,000	5,000	(2,000)
	<b>22,533,138</b>	<b>22,948,977</b>	<b>23,728,726</b>	<b>24,548,734</b>	<b>25,555,905</b>	<b>1,007,171</b>
<b>Revenue Generating Operations</b>						
Recreation Fees	835,748	932,263	1,023,622	987,000	1,010,000	23,000
Solid Waste Fees & Fines	175,490	177,189	169,866	180,000	170,000	(10,000)
Fort Foster	195,526	198,952	219,168	195,000	255,000	60,000
Harbormaster Fees & Fines	136,002	133,351	129,135	135,140	148,600	13,460
Dispatch	80,000	90,000	91,350	93,360	124,000	30,640
Library Fees & Fines	0	0	0	0	13,800	13,800
	<b>1,422,765</b>	<b>1,531,754</b>	<b>1,633,140</b>	<b>1,590,500</b>	<b>1,721,400</b>	<b>130,900</b>
<b>Local Receipts</b>						
Excise (Auto/Boat)	1,778,463	1,862,676	1,985,317	1,777,500	1,827,500	50,000
Code Enforcement Fees	243,714	280,816	401,461	280,000	280,200	200
Lien Fees & Penalty Interest	50,812	46,265	52,549	50,000	53,000	3,000
Town Clerk & Registration Fees	53,000	51,513	55,257	49,000	54,150	5,150
Police Department Fees, Fines & Permits	30,578	38,259	39,376	37,700	25,530	(12,170)
Police Department Reimbursements	33,353	40,606	27,145	5,000	0	(5,000)
Planning and Land Use Fees	22,424	21,284	18,053	20,400	23,400	3,000
Animal Control	9,650	6,733	5,875	6,500	6,500	0
Other Local Receipts	10,220	11,548	12,649	10,358	1,250	(9,108)
	<b>2,232,213</b>	<b>2,359,700</b>	<b>2,597,682</b>	<b>2,236,458</b>	<b>2,271,530</b>	<b>35,072</b>
<b>State Provided</b>						
State Revenue Sharing	414,234	403,294	405,567	414,000	460,000	46,000
Homestead Reimbursement	130,624	170,311	206,517	180,000	275,000	95,000
General Assistance	39,297	30,705	35,504	45,000	45,000	0
MDOT Highway	11,500	11,500	11,500	11,500	11,500	0
Other State Provided	5,120	3,169	3,791	3,275	3,033	(242)
School Revenue	1,539,816	1,854,341	1,927,605	2,002,713	2,189,954	187,241
	<b>2,140,591</b>	<b>2,473,319</b>	<b>2,590,484</b>	<b>2,656,488</b>	<b>2,984,487</b>	<b>327,999</b>
<b>Other Revenue</b>						
GMH Housing	265,126	266,849	266,849	275,000	286,000	11,000
Investment Income	40,429	39,455	40,128	51,000	40,000	(11,000)
School Resource Officer	40,000	40,000	45,000	46,350	47,741	1,391
Trust Revenue	30,000	22,500	37,500	30,000	25,000	(5,000)
Sewer Department Rental	22,900	22,900	22,900	22,900	22,900	0
Miscellaneous/other	32,394	35,786	23,927	29,655	82,655	53,000
Carry forwards & Supplemental Appr	0	0	14,000	253,978	0	(253,978)
	<b>430,849</b>	<b>427,490</b>	<b>450,304</b>	<b>708,883</b>	<b>504,296</b>	<b>(204,588)</b>
<b>TOTAL REVENUE</b>	<b>28,759,557</b>	<b>29,741,240</b>	<b>31,000,337</b>	<b>31,741,063</b>	<b>33,037,618</b>	<b>1,296,555</b>
<b>Expenses</b>						
General Government	898,459	928,245	907,810	1,006,206	1,021,277	15,071
Shared Expenses	2,726,345	3,082,961	3,200,164	3,491,636	3,558,958	67,322
Planning & Code Enforcement	364,376	438,284	458,598	501,148	534,032	32,884
Public Safety	2,384,592	2,344,180	2,406,905	2,564,022	2,679,362	115,339
Public Works	1,539,206	1,609,442	1,758,354	1,885,669	1,983,259	97,590
Community and Human Services	1,648,120	1,673,817	1,736,499	1,774,654	1,767,796	(6,858)
County Tax	912,948	909,420	930,931	869,853	893,000	23,147
Streetlights	128,599	149,868	127,180	120,000	55,000	(65,000)
Hydrant Rental	224,348	246,775	254,179	261,804	261,804	0
Other	252,796	223,823	315,792	258,560	376,110	117,550
Education	15,102,870	15,722,827	16,675,009	17,229,230	17,918,503	689,273
Capital Investment	1,159,492	1,208,975	1,509,303	1,703,281	1,988,517	285,236
Overlay	-	-	-	-	-	-
Transfers to Other Funds	-	324,805	74,557	-	-	(74,557)
<b>TOTAL EXPENSES</b>	<b>27,342,151</b>	<b>28,863,423</b>	<b>30,355,283</b>	<b>31,666,064</b>	<b>33,037,618</b>	<b>1,296,997</b>
<b>NET</b>	<b>1,417,406</b>	<b>877,817</b>	<b>645,054</b>	<b>74,999</b>	<b>0</b>	

## MIL RATE PROJECTION AND ALLOCATION FY2020

### Mil Rate Projection

	FY16	FY17	FY18	FY19	FY20	\$ Change	% Change
Valuation Actual/Projected	1,422,425,947	1,428,715,466	1,437,006,766	1,458,091,186	1,478,141,893	20,050,707	1.38%
Taxes Committed/Projected	22,289,417	22,932,668	23,728,726	24,541,734	25,550,905	1,009,171	4.11%
Mil Rate	15.67	16.05	16.51	16.80	17.40	0.60	3.57%
OVERLAY	128,298	92,479	64,990	113,564	135,000	21,436	18.88%
School Portion of Commitment	14,054,574	14,463,038	14,747,404	15,226,517	15,728,549	502,032	3.30%
Town Portion of Commitment	8,234,843	8,469,630	8,981,322	9,315,217	9,822,356	507,139	5.44%

### Mil Rate Projection Allocation

	ACTUAL FY16	ACTUAL FY17	ACTUAL FY18	COMMITTED FY19	PROPOSED FY20	\$ Change
<b>Mil Rate</b>	<b>15.67</b>	<b>16.05</b>	<b>16.51</b>	<b>16.80</b>	<b>17.40</b>	<b>\$ 0.60</b>
Municipal	4.24	4.38	4.51	4.54	4.63	\$ 0.10
Capital	0.82	0.85	1.05	1.17	1.35	\$ 0.19
School	9.88	10.12	10.26	10.42	10.71	\$ 0.29
County	0.64	0.64	0.65	0.60	0.61	\$ 0.01
Overlay	0.09	0.06	0.05	0.08	0.09	\$ 0.01

### Undesignated Fund Balance History

	FY14	FY15	FY16	FY17	FY18
Municipal	4,345,203	4,226,375	5,088,925	5,217,892	5,988,495
School Department	792,894	315,748	444,846	613,679	751,469
Total	\$5,138,097	\$4,542,123	\$5,533,771	\$5,831,571	\$6,739,964
Budgeted Expenditures	26,538,105	26,994,287	27,342,151	28,863,423	30,355,283
Budgeted Monthly	2,211,509	2,249,524	2,278,513	2,405,285	2,529,607
2.5 Months Budgeted	5,528,772	5,623,810	5,696,281	6,013,213	6,324,017
Actual Months Town & School	2.32	2.02	2.43	2.42	2.66
Town and School Fund Balance as % of Total Budget	19.4%	16.8%	20.2%	20.2%	22.2%



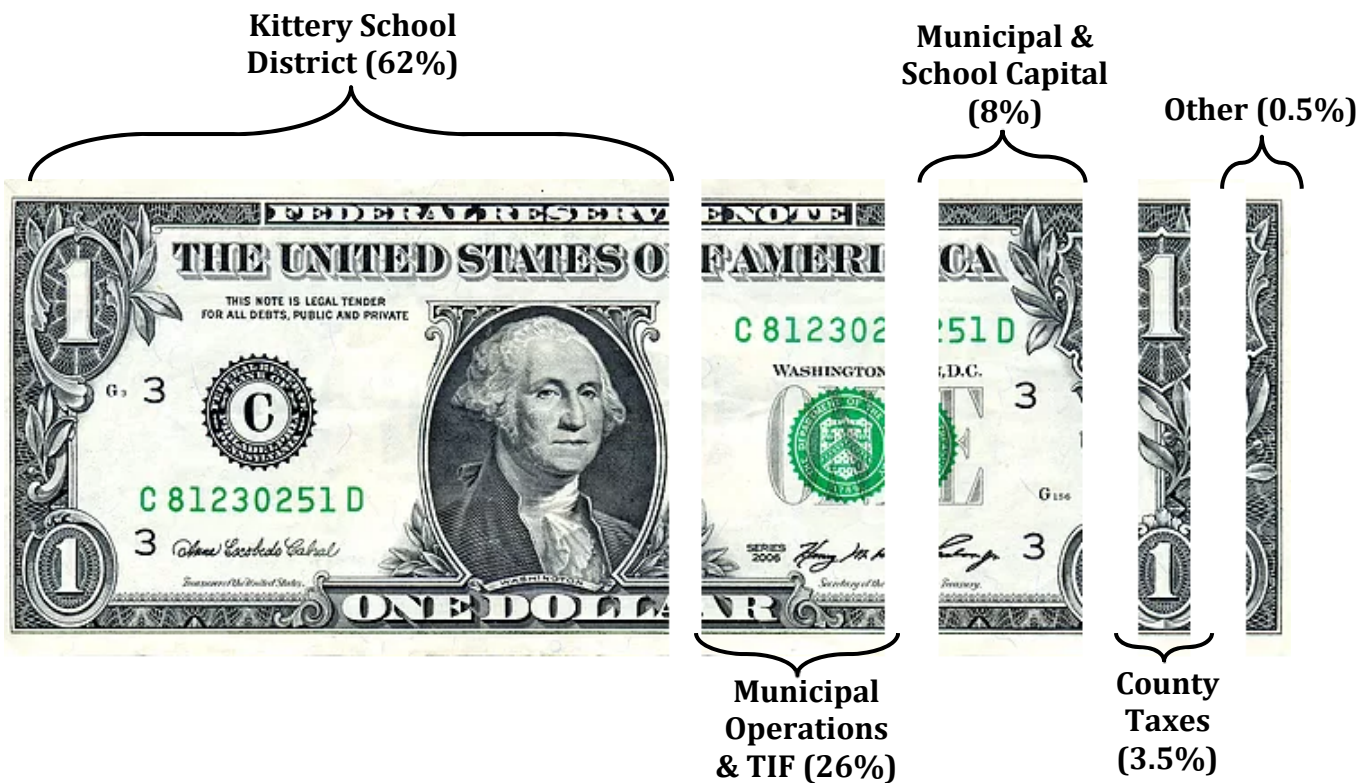
## REVENUE SUMMARY

### 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, holding steady with the year prior.

Approximately \$0.62 of every dollar paid in property tax supports Kittery's educational programs; \$0.26 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 \$236,000. Capital is funded with \$0.08 from every property tax dollar raised, and the county receives \$0.035 of every dollar. The remaining is for ancillary charges such as the overlay.

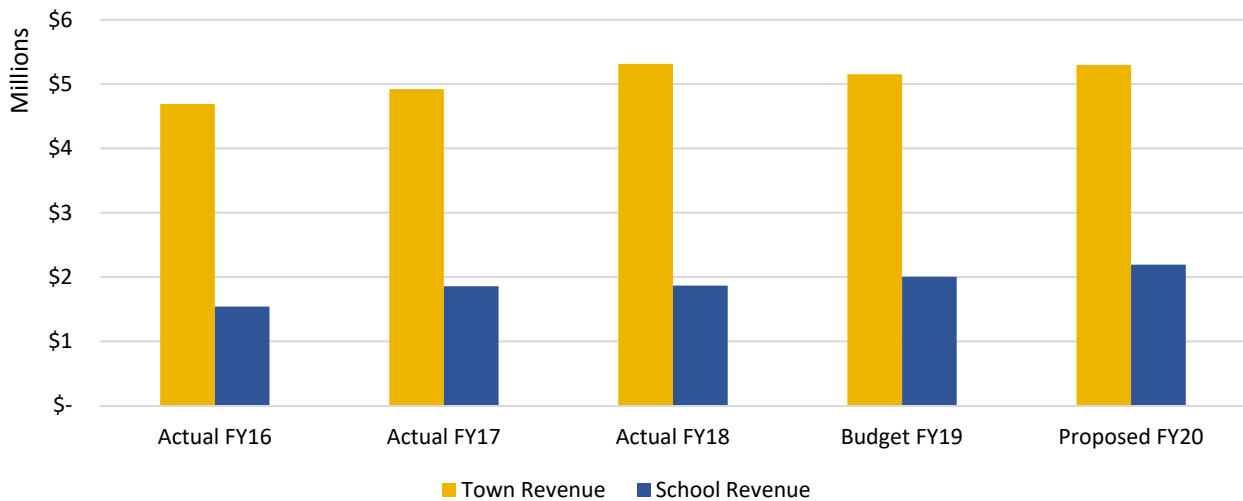
### Tax Dollar Breakdown



The remaining 23% of the town's revenues are derived from fees, fines, state funding, and other revenue sources. The town is a minimum receiver for education funding, meaning the state only provides financial support for mandated special education programs. The municipal operation is projecting a conservative 6.3% increase in recurring non-property-tax revenue, or approximately \$311,121 over the prior year. The recurring revenue projections are driven by

increased in Fort Foster fees and Harbormaster fees, increased state revenue sharing, and auto excise tax. The fee increase projections are purposefully conservative, as it is recognized that fee increases have an initial impact of reducing the revenue-generating activity the fees are associated with.

### 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 FY20.

### Revenue Generating Operations

Revenue Projections	Actual FY16	Actual FY17	Actual FY18	Budget FY19	Projected FY20	Variance
Recreation	\$835,748	\$932,263	\$1,023,622	\$982,000	\$1,010,000	\$23,000
SW Fees & Fines	\$175,490	\$177,189	\$169,866	\$180,000	\$170,000	(\$10,000)
Fort Foster Fees	\$195,526	\$198,952	\$219,168	\$195,000	\$255,000	\$60,000
Harbormaster Fees & Fines	\$136,002	\$133,351	\$129,135	\$135,140	\$148,600	\$13,460
Dispatch Income	\$80,000	\$90,000	\$91,350	\$93,360	\$108,000	\$14,640
<b>Total</b>	<b>\$1,422,765</b>	<b>\$1,531,754</b>	<b>\$1,633,141</b>	<b>\$1,585,500</b>	<b>\$1,691,600</b>	<b>\$101,100</b>

The recreation, arts and cultural programming being offered by the KCC continues to grow, generating significant recreation revenue. The preschool program fees were increased in the prior year, with no discernable impact on enrollment or wait-lists. The predominant theater group for the Star Theater filed for bankruptcy in late 2018. The KCC staff were able to quickly identify alternative uses and tenants for the space including the Seacoast Repertory Theatre and the Firehouse Center for the Arts. Rentals of the theater remain strong and now have a

diversified tenant base. Revenue is projected to increase \$23,000, approximately 2.25% in FY20.

The Town Council voted to increase certain Fort Foster fees for the 2019 summer season. These were recommended by the Parks Commission and were intended to raise revenue to support capital projects and enhanced animal control availability at the park. The fees were increased on non-resident visitors, and pavilion rentals. Based on the prior year's day-pass sales, revenue could increase over \$100,000 with the new rates. However, daily weather and comparability of price with parking or entrance fees at other beaches can impact day-pass sales from one year to the next. Therefore, the revenue projection is conservatively estimated to increase \$60,000, approximately 27.38% over the prior year.

The Kittery Port Authority voted to increase most of its fees for marine facility use for the 2019 boating season. These fees cover moorings, transient slips, and boat ramp usage. The town implemented a new online mooring renewal program that is improving mooring fee collections, excise tax compliance, and record keeping. Additionally, the town has worked with the Portsmouth Naval Shipyard to partner on boat excise tax compliance for their recreational marina. The overall impact is an anticipated growth in revenue of \$13,460, or 10.4%.

The town recently negotiated a three-year extension of its dispatch services contract with the Town of Eliot. The new agreement has Eliot's fees for service increasing approximately \$15,000 per year. The goal of the agreement is to get Eliot to a rate that is more consistent with the per-person rate Kittery tax-payers pay for dispatch services.

The Resource Recovery Center's Solid Waste (SW Fees & Fines) revenue is derived primarily from the sale of materials to recycling companies. Household mixed paper, glass, and certain plastics no longer have a viable resale market. The town continues to adjust its sorting processes at the Resource Recovery Center to capture as much valuable material as possible from the waste-stream. Other materials are either no longer sorted, or have only enough value to cover the cost of transport and disposal. The town implemented a tipping fee for non-resident customers at the end of 2018 to cover the cost of disposal of their non-resalable recyclables; with a goal of offsetting cost rather than generating excess revenue. Overall revenue projection for solid waste has been reduced \$10,000 from the prior year.

Library revenue has been incorporated into the FY20 budget to reflect the transition of the operation into the town's organization. Prior to FY20, the 501c3 would collect library operating revenue and utilize town funds to offset costs not covered by revenue. The library revenue includes copier fees, book fines, program fees, and other ancillary revenues. Additionally, a portion of the Rice Library building's parking lot is leased to a private entity for \$300 per month, plus in-kind contribution of landscaping and grounds maintenance. The Library Board of Directors may contribute funds to support specific programs in the future. A reserve account will be setup in the Other Funds system to ensure such funds are being used as designated by the Board.

## **REVENUE SHARING AND FEDERAL SUPPORT**

Approximately 20.5% 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 \$152,000. This is a combination of increased state revenue sharing and Homestead exemption reimbursements, and anticipated revenue generation from renegotiation and renewal of the PILOT program for federal military housing in Kittery. Negotiations are expected to begin in the summer of 2019.

The state's most recent biennial budget is expected to result in improved municipal financial support due to the growing Maine economy and a commitment in Augusta to increase the revenue sharing allocation to the level required by the law. Despite this, the town remains a donor community for both the state (in terms of sales tax revenue and income tax) and the county based on property valuation. The Legislature is still debating what percentage of revenue will be shared with municipalities. The town's FY20 budget assumes 2.5% which is the lowest percentage currently being considered by the Governor and Legislature.

## **TAXABLE VALUATION**

Kittery's property values grew approximately 6.3% in 2018. This was a significant uptick from prior years and reinforces the desirability and investment value of the town. The FY20 budget projects a \$20M growth in valuation.

A significant portion of the growth is in two of the town's TIF districts. Due to state statute, the taxes generated by this growth must be segregated and cannot be used towards the general fund/municipal operations. Typically, TIFs are used to attract investment by guaranteeing municipal investment in infrastructure to support development in the designated districts, and/or provide low to no-interest municipal funding for private ventures. Consistent with the town's assessment of its desirability, the development in the town's TIF districts are occurring without the need for major infrastructure investment or municipal financing. The value increase in the TIF districts represents over 20% of the growth in value anticipated for FY20, or approximately \$4.3M. The resulting tax revenue, \$236,000 must be shown as an expense in the municipal operating budget.

The \$20M in growth is relatively firm based on inspections completed to date. 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, continues to be the driving factor for the tax rate.

## Comparable Communities

	2016 Population	2019 State Valuation	2019 Municipal Budget	2019 Tax Rate
Wells	10,048	\$ 3,328,650,000	\$13,805,087	\$ 10.32
Kennebunk	11,223	\$ 2,492,800,000	\$12,276,449	\$ 17.50
Old Orchard Beach	8,745	\$ 1,750,600,000	\$16,296,533	\$ 15.30
Kittery	9,649	\$ 1,719,900,000	\$13,441,981	\$ 16.80

The administration recognizes the role property value growth needs to play for the town's financial stability and tax rate stabilization. The FY20 budget has been developed to continue work on the promotion and management of economic and community development.

Initiatives underway include rezoning efforts for targeted growth areas including the Route 1 Mall area and the Route 1 Bypass. The town also expects to see development plans proposed for its recently established Mixed Use Neighborhood zone; bringing forward the first major development in a zone that has been designated as a target growth area for ten years. These areas are identified as priority growth areas in the town Comprehensive Plan.

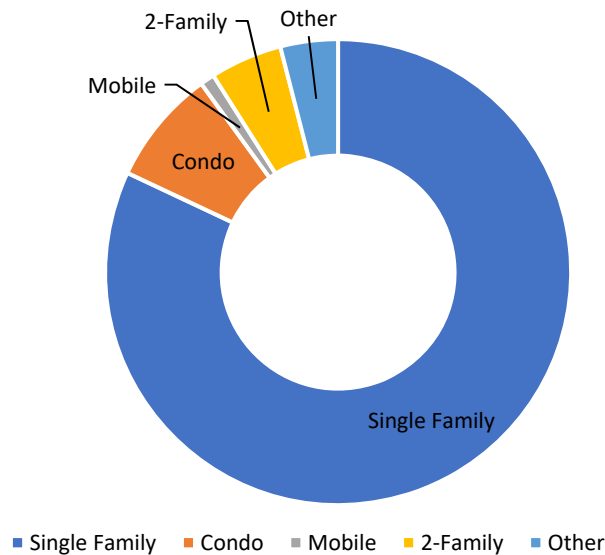
Kittery launched a land use ordinance recodification effort in 2018 that is expected to be complete at the end of 2019. The recodification will simplify the complex and reactionary zoning code and incorporate development standards that responds to the town's growth goals in a proactive manner. The effort includes reorganizing the code, eliminating inconsistencies and conflicts, and simplifying review and approval processes.

The town adopted its Comprehensive Plan Update in November of 2018. It also rezoned the "Business Park" into a mixed-use neighborhood zone with significantly greater density than any other zone in town. It is currently working with the Portsmouth Naval Shipyard on a transportation management plan, and MaineDOT on a transportation corridor study for Route 236.

In FY20, the town intends to overhaul its GIS system. Utilizing new aerials taken by the state in 2018, the new system will address historic lot line offsets, improve the layer data, and add new functionality for customers including integration with property card and permitting data. This will result in a one-stop source for property information.

The town is currently projecting valuation at 80% of market value, meaning all property not improved in the prior year is valued at 80% of what the current market price for the property would be if sold. The town anticipated needing a revaluation effort in FY20, and has incorporated that in its spending plan. The revaluation will result in values being set closer to 99% of market at the end of the process. Rough calculations suggest the revaluation could reduce the tax rate up to approximately \$1.00 per thousand.

## Residential Property Values as % by Category



Single family homes as a percentage of total value has decreased slightly in the prior year, with a corresponding increase in multi-family units.

A revaluation will further expose the challenge Kittery has with housing affordability. The working group of volunteers and stakeholders focused on housing issues has been hard at work the past year to develop a range of options to address the affordability challenge. The working group has proposed revisions to the town's Accessory Dwelling Unit ordinance, which if passed, should provide some additional units in developed areas. The group is also drafting an affordable housing overlay targeted to the Route 1 Mall area and the Route 1 Bypass. The proposed overlay will enhance density options in exchange for the generation of affordable units.

The town has reaffirmed its choice not to take action on retail marijuana. The state Legislature is considering amending its laws to allow for revenue sharing with host municipalities. This is seen as a significant factor in the town's consideration, and depending on the outcome of the legislative amendments, the town may reconsider its position on retail marijuana.

## Highest Value Property Tax

		Assessment as of April 1, 2019		
Taxpayer	Business	Assessed Value	Tax	% of Levy
CPG Kittery Holdings LLC	Retail	\$ 25,822,100	\$ 433,811	1.7%
Kittery Development LLC	Retail	\$ 18,643,900	\$ 313,218	1.2%
Kevin Inc.	Retail	\$ 12,327,700	\$ 207,105	0.8%
Ventas Kittery Estates	Residential/Senior	\$ 8,909,000	\$ 149,671	0.6%
Central Maine Power	Utility	\$ 7,473,886	\$ 125,561	0.5%
ADCO Kittery LLC	Retail	\$ 6,905,700	\$ 116,016	0.5%
275 Route 1 LLC	Residential	\$ 6,807,600	\$ 114,368	0.4%
Kittery Commons LLC	Nursing Home	\$ 6,320,600	\$ 106,186	0.4%
Ripley Road Associates L	Retail	\$ 5,855,700	\$ 98,376	0.4%
Shafmaster, Jonathan	Retail	\$ 5,188,100	\$ 87,160	0.3%
<b>Total</b>		<b>\$ 104,254,286</b>	<b>\$ 1,751,472</b>	<b>6.9%</b>

## FY2020 REVENUE DETAIL

	FY16	FY17	FY18	FY19	FY20	VARIANCE	%
	ACTUALS	ACTUALS	ACTUALS	BUDGET	PROPOSED		
43001 PROPERTY TAX REVENUE	8,474,715	8,502,482	9,143,032	9,353,781	9,822,356	468,575	
43003 PROPERTY TAX ABATEMENTS	(10,873)	(16,544)	(17,998)	-	-	-	
43004 PAYMENT IN LIEU OF TAXES-PILOT	14,722		1,817	7,000	5,000	(2,000)	
43006 HOMESTEAD EXEMPT STATE REIMB	130,624	170,311	206,517	180,000	275,000	95,000	
						0	
43007 TREE GROWTH REVENUE	2,602	2,758	2,968	2,758	2,758	-	
43031 EXCISE TAX AUTOMOBILE	1,751,648	1,836,540	1,958,762	1,750,000	1,800,000	50,000	
43032 EXCISE TAX BOAT	26,815	26,136	26,555	27,500	27,500	-	
43109 SIGN PERMITS	3,925	3,250	3,250	3,000	3,000	-	
43110 CODE ENFORCEMENT FEES	243,714	280,816	401,461	280,000	280,000	-	
43113 BOARD OF ASSESSMENT REVIEW	200	100	100	200	200	-	
43114 ADDITIONAL LAND USE FEES	4,713	5,010	4,868	4,400	4,400	-	
43115 PLANNING FEES (SUBDIVISIONS)	17,712	16,274	13,185	16,000	16,000	-	
43120 TOWN CLERK FEES	24,593	22,915	26,889	22,000	24,000	2,000	
43121 WILDLIFE AGENT FEE	1,183	1,164	1,202	1,200	1,200	-	
43122 ANIMAL WELFARE AGENT FEE	1,715	1,720	1,697	1,600	1,600	-	
43130 TOWN REGISTRATION FEES	28,407	28,598	28,368	27,000	27,000	-	
43135 HWY PERMITS & FEES	-	1,787	2,194	1,000	1,000	-	
43140 SOLID WASTE PERMITS & FEES	4,723	82,161	90,776	55,000	50,000	(5,000)	
43145 SOLID WASTE RECYCLING	170,767	95,028	79,090	125,000	120,000	(5,000)	
43147 DINGHY FEES	7,830	11,355	11,735	12,740	13,000	260	
43148 TRANSIENT SLIP RENTAL	2,466	3,165	770	3,000	5,000	2,000	
43149 KPA APPLICATION FEES	1,750	990	700	1,000	1,000	-	
43150 MOORING FEES	85,692	82,479	81,042	84,500	97,500	13,000	
43151 LAUNCH FEE	15,525	15,558	14,026	15,500	15,500	-	
43152 TRANSIENT MOORING	7,120	5,955	4,570	5,200	8,500	3,300	
43153 WAIT LIST FEE	1,409	1,455	1,566	1,450	1,600	150	
43154 HARBOR & WATER USAGE FEE	14,211	11,714	10,812	11,000	5,000	(6,000)	
43156 PIER USAGE FEES		680	2,440	750	1,000	250	
43157 MOORING LATE FEES			1,475	-	500	500	
43160 FORT FOSTER FEES	195,526	198,952	219,168	195,000	255,000	60,000	
43165 SPRINKLER PERMITS	100	100	1,000	250	250	-	
43210 LIEN FEES	8,341	8,761	7,353	15,000	15,000	-	
43220 PENALTY INTEREST	42,470	37,504	45,196	35,000	38,000	3,000	
43320 RECREATION FEES	835,748	932,263	1,023,622	987,000	1,010,000	23,000	2%
43330 ANIMAL CONTROL	9,650	6,733	5,875	6,500	6,500	-	
43335 POSTAGE	6	146	36	-	-	-	
43336 PHOTO COPIES	489	523	203	350	350	-	
43349 DEA OVERTIME REIMBURSEMENT	17,913	18,474	18,042	5,000	-	(5,000)	
43350 OUTSIDE DETAIL REIMBURSEMENT	15,440	22,132	9,103	-	-	-	
43351 ACCIDENT REPORTS	2,864	2,502	2,427	3,000	3,000	-	
43352 PARKING TICKETS	9,245	17,205	18,250	15,000	19,000	4,000	
43353 GUN PERMITS	1,179	1,252	1,085	2,000	2,000	-	
43354 ELIOT DISPATCHING SERVICES	80,000	90,000	91,350	93,360	108,000	14,640	
43355 ORDINANCE FINES	400	50	350	100	350	250	
43356 WITNESS FEES	30	310	374	500	300	(200)	
43358 FALSE ALARMS	860	940	890	1,100	880	(220)	
43359 AMBULANCE DISPTACH FEES	16,000	16,000	16,000	16,000	16,000	-	

Continued on the next page



## FY2020 Revenue Detail (cont'd)

	FY16 ACTUALS	FY17 ACTUALS	FY18 ACTUALS	FY19 BUDGET	FY20 PROPOSED	VARIANCE	%
						0	
43410 MDOT HWY MAINTENANCE REVENUE	11,500	11,500	11,500	11,500	11,500	-	
43420 STATE REVENUE SHARING	414,234	403,294	405,567	414,000	460,000	46,000	
43421 STATE PARK FEE REV SHARING	386	505	903	275	275	-	
43443 RESTITUTION INCOME/UNAPPROP	4,734	2,664	2,888	3,000	3,000	-	
43470 STATE OF MAINE GENERAL ASSISTA	39,297	30,705	35,504	45,000	45,000	-	
						0	
43480 MARY SAFFORD WILDES TRUST/WELF	30,000	22,500	37,500	30,000	25,000	(5,000)	
43510 INTEREST ON INVESTMENTS	37,928	39,171	40,128	50,000	40,000	(10,000)	
43530 MISCELLANEOUS REVENUE/UNAPPO	22,720	35,254	14,729	20,000	20,000	-	
43540 SEWER DEPT RENT	22,900	22,900	22,900	22,900	22,900	-	
43555 SNOWMOBILE/HANDICAP/ELDER	662	450	642	655	655	-	
43560 GMH HOUSING	265,126	266,849	266,849	275,000	286,000	11,000	
43575 SUP APPRO FROM UNDESIGNATED	-	-	-	-	-	-	
43576 TRANSFER IN FROM OTHER FUNDS			-	243,978	50,000	(193,978)	
43580 USE OF CARRY FORWARDS	-	-	-	10,000	-	(10,000)	
45007 INTEREST REVENUE	2,501	284	-	1,000	-	(1,000)	
45020 MMA W/C DIVIDEND	9,012	82	8,556	9,000	9,000	-	
45025 SCHOOL RESOURCE OFFICER COMP	40,000	40,000	45,000	46,350	47,741	1,391	
NEW LIBRARY FINES AND FEES	-	-	-	-	10,200	10,200	
NEW RENTAL INCOME	-	-	-	-	3,600	3,600	
<b>TOTAL REVENUE</b>	<b>13,165,167</b>	<b>13,423,860</b>	<b>14,456,856</b>	<b>14,550,397</b>	<b>15,119,115</b>	<b>568,718</b>	<b>3.9%</b>



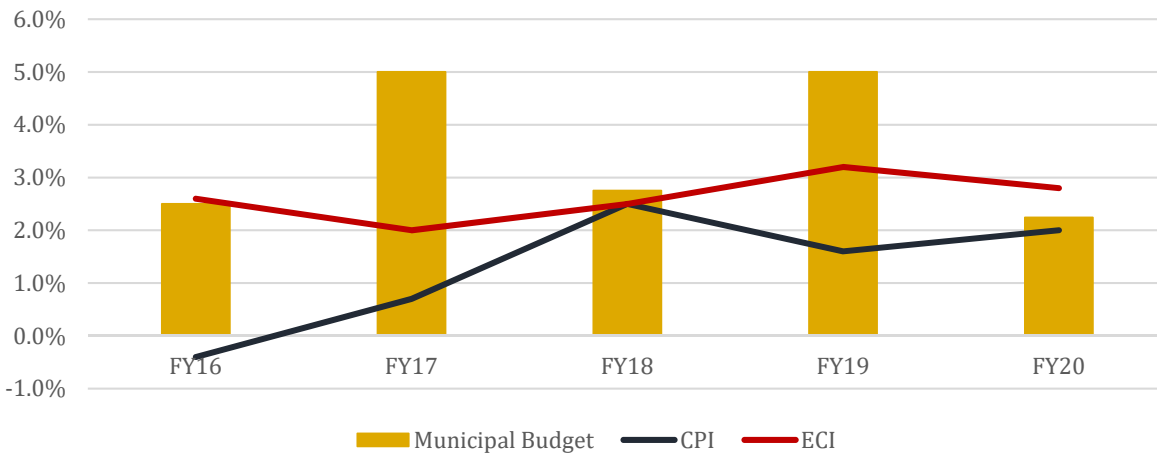
## EXPENSE SUMMARY

The FY20 annual tax commitment is projected to increase from \$24,541,734 to \$25,550,905, or approximately \$1,009,171 (4.1%). Total spending is increasing \$1,371,555 which will be offset by a \$100,143 increase in all non-property tax municipal revenue from the municipal, and \$187,241 in additional school revenue. The proposed property tax levy is \$625,874 less than the LD-1 limit for municipal appropriations.

Municipal operations, exclusive of capital, county taxes, and TIF revenue offsets, are projected to increase 2.24% in the coming year. Comparatively, the Employer Cost Index is 2.8% and the Consumer Price Index is 2.0% for the New England Division. 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.

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.

### % Increase Consumer Price Index, Employment Cost Index, and Municipal Operations<sup>6</sup>



### MUNICIPAL COST DRIVERS

The spending plan for the municipal and capital operations has been developed to support the priorities of the town in the coming fiscal year.

<sup>6</sup> Source: Bureau of Labor Standards, Consumer Price Index Northeast Region New England Division, Employment Cost Index, Civilian, 12 months ended Dec 2018. Municipal operations exclude capital, county taxes and TIF revenue offset.

Approximately \$8.1M in the \$13.1M budget is associated with wages and benefits for active and retired employees. That represents 64% of the operating budget. Of that, approximately \$2M is dedicated to health and retirement benefits. The budget includes contractual wage increases for the seven collective bargaining units. The budget also includes increasing the Animal Control Officer from 0.6 FTE to 1.0 FTE, incorporates the cost of making the Fire Chief a full-time position, and reassigning the Shoreland Officer/MS4 Coordinator solely to DPW resulting in the elimination of the part-time Assistant Code Enforcement Officer.

County taxes are going up 2.66%, approximately \$23,147. County taxes are 6.8% of the municipal operating budget, having this expenditure effectively serve as the town's fifth largest department budget.

The TIF district allocation is increasing sharply for the second year in a row. Approximately \$4.3M in valuation growth for the coming year occurred in TIF districts. The TIF allocation is projected at \$236,000, a \$111,000 increase over the prior year. The TIF district increase represents nearly a quarter of the total operating increase for the year. The TIF district allocation 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.

The FY20 budget also includes the implementation of a revaluation project. The project will cost a total of \$97,000, which will be broken up over three-years to lessen the impact of the cost. The actual revaluation is expected to be complete in the first half of the fiscal year. The Planning and Assessing budgets have been collapsed into a single budget. The Planning Director oversees the assessing operation, including the contractual assessing services. Incorporating the assessing costs simplifies budgeting and bookkeeping.

The various technology/computer lines in Police, Administration, Planning, Recreation, and Miscellaneous have been evaluated and as needed, adjusted to reflect the anticipated increase in cost for technology management services. A request for proposals was issued in April 2019 with a scope of services that prioritizes preventative management of the environment through regular monitoring, project planning, and proactive maintenance of the hardware and virtual environment. The costs are expected to increase in the first year. However, once a consolidated and efficiently designed environment is in place, the annual operating costs should drop slightly.

With the vote of the Town Council and Library Board of Directors, the Library has been added as a town department in the FY20 budget. Offsetting Library revenue has been added to the revenue projections, and the whole of the Library costs have been incorporated into the expense budget. Associated health and retirement benefit costs have been incorporated into the Shared Expenses budget.

# SUMMARY OF FY2020 DEPARTMENT EXPENDITURES

Expense Projections	ACTUAL FY16	ACTUAL FY17	ACTUAL FY18	BUDGETED FY19	PROPOSED FY20	\$ Change	% Change
<b>GENERAL GOVERNMENT</b>							
Admin	883,013	913,698	888,228	982,056	1,002,127	20,071	2.04%
Council	5,489	4,936	4,093	12,350	7,350	(5,000)	-40.49%
Elections	9,957	9,611	15,490	11,800	11,800	-	0.00%
Total General Government	898,459	928,245	907,810	1,006,206	1,021,277	15,071	1.50%
<b>SHARED EXPENSES</b>							
Retirement	376,091	393,540	445,145	507,694	561,287	53,593	10.56%
FICA	324,612	344,953	353,549	388,905	427,088	38,183	9.82%
Workers Compensation	140,436	165,773	149,608	186,587	150,000	(36,587)	-19.61%
Medical - Active Employees	865,601	938,887	1,018,100	1,134,533	1,160,623	26,090	2.30%
Dental - Active Employees	7,891	8,289	10,882	13,845	13,763	(82)	-0.59%
Property and Casualty Insurance	131,834	138,212	156,767	170,949	176,077	5,128	3.00%
Self Insurance Claims	23,013	18,520	9,049	-	-	-	0.00%
Retired Medical & Dental	137,277	152,230	159,736	212,306	202,988	(9,318)	-4.39%
Misc Employee-related costs	27,862	31,431	33,323	35,956	39,400	3,444	9.58%
Employee Benefits & Insurance	2,034,617	2,191,835	2,336,159	2,650,775	2,731,228	80,453	3.04%
Debt Service	691,728	891,126	864,005	840,861	827,730	(13,131)	-1.56%
Total Shared Expenses	2,726,345	3,082,961	3,200,164	3,491,636	3,558,958	67,322	1.93%
<b>PLANNING &amp; CODE ENFORCEMENT</b>							
Planning Board & BOA	10,251	9,765	8,234	14,149	12,050	(2,099)	-14.83%
Planning & Code Enforcement	353,597	427,999	449,844	486,479	521,462	34,983	7.19%
Misc Exp - Public Health	528	520	520	520	520	-	0.00%
Total Planning & Code Enforcem	364,376	438,284	458,598	501,148	534,032	32,884	6.56%
<b>PUBLIC SAFETY</b>							
Fire	309,830	306,883	298,052	331,910	351,083	19,172	5.78%
Police	2,074,763	2,037,297	2,108,854	2,231,412	2,328,279	96,867	4.34%
Misc Exp - Civil Preparedness	-	-	-	700	-	(700)	-100.00%
Public Safety	2,384,592	2,344,180	2,406,905	2,564,022	2,679,362	115,339	4.50%
<b>PUBLIC WORKS</b>							
Highway	832,033	878,528	1,073,135	1,061,328	1,096,698	35,370	3.33%
Resource Recovery	483,118	482,091	447,847	535,237	569,322	34,085	6.37%
In Town Parks	121,882	122,488	114,957	133,618	155,597	21,979	16.45%
Fort Foster/Beaches	102,173	126,335	122,415	155,486	161,642	6,156	3.96%
Public Works	1,539,206	1,609,442	1,758,354	1,885,669	1,983,259	97,590	5.18%
<b>COMMUNITY &amp; HUMAN SERVICES</b>							
Library	448,412	448,412	467,380	478,901	418,414	(60,487)	-12.63%
Harbormaster	94,663	94,045	87,371	94,950	106,574	11,624	12.24%
Recreation	975,839	987,087	1,042,317	1,054,873	1,084,674	29,801	2.83%
Misc Exp - General Assistance	48,141	59,440	47,976	50,000	50,000	-	0.00%
Community Agencies	11,230	11,730	10,865	9,165	9,165	-	0.00%
Adult Education	69,835	73,103	80,590	86,765	98,970	12,205	14.07%
Community and Human Services	1,648,120	1,673,817	1,736,499	1,774,654	1,767,796	(6,858)	-0.39%
<b>MISC EXPENSES - OTHER</b>							
County Tax	912,948	909,420	930,931	869,853	893,000	23,147	2.66%
Streetlights	128,599	149,868	127,180	120,000	55,000	(65,000)	-54.17%
Hydrant Rental	224,348	246,775	254,179	261,804	261,804	-	0.00%
TIF	60,901	60,901	167,985	125,000	236,000	111,000	88.80%
Other Miscellaneous	159,659	141,428	147,807	133,560	140,110	6,550	4.90%
Miscellaneous Expenses	1,486,455	1,508,392	1,628,083	1,510,217	1,585,914	75,697	5.01%
<b>Total Operating Expenses</b>	<b>11,047,553</b>	<b>11,585,322</b>	<b>12,096,414</b>	<b>12,733,553</b>	<b>13,130,598</b>	<b>397,045</b>	<b>3.12%</b>
		4.9%	4.4%	5.3%			
CAPITAL IMPROVEMENT PLAN	1,159,492	1,208,975	1,509,303	1,703,281	1,988,517	285,236	16.75%
<b>TOTAL MUNICIPAL EXPENSES</b>	<b>12,207,045</b>	<b>12,794,297</b>	<b>13,605,717</b>	<b>14,436,834</b>	<b>15,119,115</b>	<b>682,281</b>	<b>4.73%</b>

## FY20 COSTS BY CATEGORY

	Personnel	Utilities	Building/ Equip	Other	Total	% of Total
Administration	708,037	29,390	51,000	213,700	<b>1,002,127</b>	7.6%
Council	4,000			3,350	<b>7,350</b>	0.1%
Elections	2,500			9,300	<b>11,800</b>	0.1%
Planning	321,627	1,350	3,050	208,005	<b>534,032</b>	4.1%
Fire	228,786	34,550	44,964	42,783	<b>351,083</b>	2.7%
Police	2,058,604	43,995	106,800	118,880	<b>2,328,279</b>	17.7%
Harbormaster	71,524	4,500	8,700	21,850	<b>106,574</b>	0.8%
Public Works	1,128,003	45,056	76,500	733,700	<b>1,983,259</b>	15.1%
Recreation	789,882	84,942	29,250	180,600	<b>1,084,674</b>	8.3%
Miscellaneous	-	55,000	45,000	356,914	<b>456,914</b>	3.5%
Health and Retirement	1,978,063				<b>1,978,063</b>	15.1%
FICA	427,088				<b>427,088</b>	3.3%
Workers' Compensation	150,000				<b>150,000</b>	1.1%
Library	269,481	18,475	22,500	107,958	<b>418,414</b>	3.2%
<b>Subtotal</b>	<b>8,137,593</b>	<b>317,258</b>	<b>387,764</b>	<b>1,997,040</b>	<b>10,839,655</b>	
<b>% of Total</b>	<b>62.0%</b>	<b>2.4%</b>	<b>3.0%</b>	<b>15.2%</b>	<b>82.6%</b>	

### OTHER

Property and Casualty	176,077	
General Assistance	50,000	
Community Support	9,165	
County Tax	893,000	6.8%
TIF	236,000	1.8%
Adult Education	98,970	
Debt	827,730	
<b>Subtotal</b>	<b>2,290,943</b>	<b>17.4%</b>

<b>GRAND TOTAL</b>	<b>\$ 13,130,598</b>
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## CAPITAL INVESTMENT PLAN

Since 2012, the Capital Improvement Program has supported the completion of \$19M of projects through capital appropriation and bonding. The town currently holds \$2.6M in capital reserves for planned and unplanned future needs associated with roadways, equipment, buildings, technology, and land improvements. This “reserve” approach to funding capital has allowed the town to make large purchases like a pumper truck in FY19 for \$550,000, and make annual investments in the roads without requiring annual debt, or deferring other equally important projects each year.

The proposed funding for capital and reserves in FY20 is \$1,988,517, representing an increase of \$285,236 over the previous year.

The annual funding requirements for the CIP is nearing a point of stabilization, due in large part to the incorporation of detailed, long-range asset management plans established for each category of asset. At this time the average annual funding need for capital reserve allocation is between \$1.8M and \$1.9M. Funding at this level should be sufficient for the management of existing town assets for at least the next five years. This figure excludes larger projects such as new buildings, rebuilding or replacement of school buildings, or significant unforeseen projects that would likely require debt service to support. The stabilization in the CIP is beneficial to the annual operating budget and work plan development.

The FY20-FY24 CIP projection is driven primarily by three short-term projects; LED streetlight conversion (FY20), Rice Library renovation and expansion design (FY20), and Emery Field Phase 2 (potentially FY21). Combined, these three projects represent \$940,000 in costs not associated with long-term reserve accounts. FY20 funding from a number of reserve accounts is being diverted to these projects. The diversions do not hamper the overall asset management strategies because of the reserve approach the town adopted in 2012. The reserve accounts can accommodate a year of zero funding, without losing ground on the overall asset management programs.

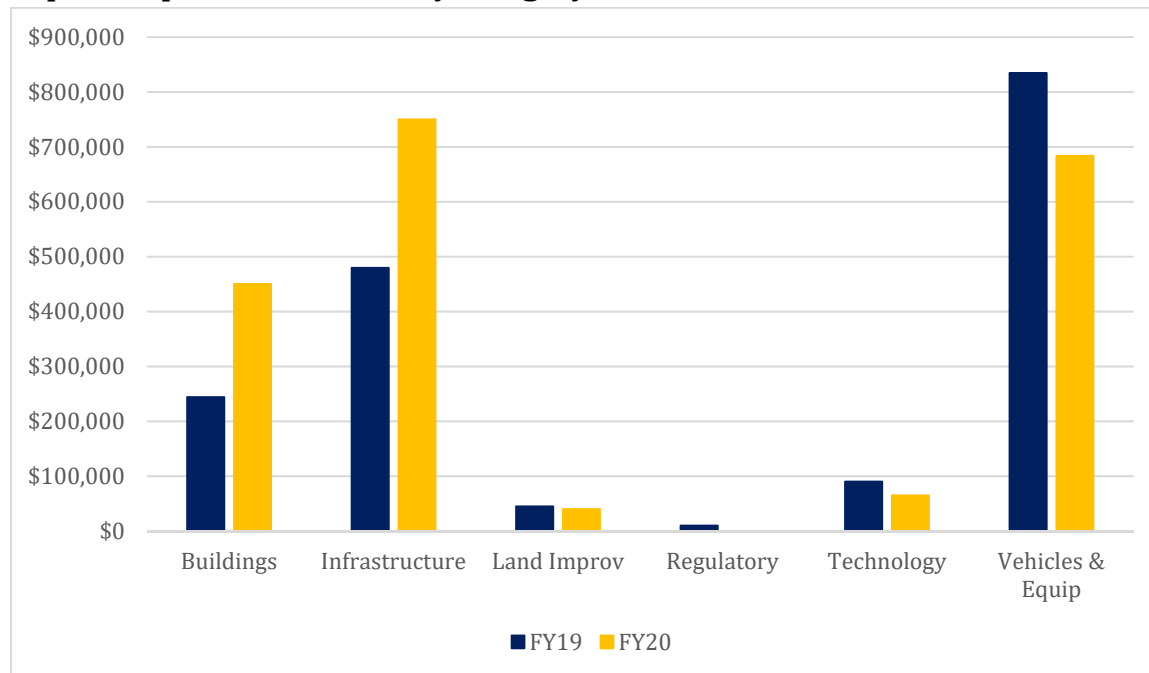
Funding for Holding Accounts is proposed to increase \$14,950 from the prior fiscal year. The Five-Year Pavement Management Plan includes approximately \$500,000 in projects for FY20. New to the CIP is a detailed Facility Management plan which now serves as the basis for the Municipal Facility Reserve account requests. The plan includes replacement schedules for heating and cooling, building envelope (windows and roofs), interior finishes, electrical systems, life safety systems, and parking lots.

The Capital Reserve Accounts are projected to decrease \$200,050 in FY20. The DPW Vehicle reserve was reduced \$100,000 to accommodate other needs within the CIP. A number of other reserve accounts do not have funding requests or have lower than usual funding requests for FY20, also to accommodate the large projects on the schedule. As with the Holding Accounts,

the zero funding of various reserve accounts for FY20 is manageable and does not negatively impact the Town's asset management plans, so long as the five-year funding plan is followed through FY24. Work is underway to develop detailed KCC equipment, Police equipment, and municipal technology plans. The FY20-FY24 CIP includes a newly developed detailed marine infrastructure plan which encompasses piers, wharves, floats, boats, ramps, and other assets used to support the Harbormaster operations.

Capital Projects are increasing by \$470,336. The LED Street Light project will convert the lamps to lower-energy, high performance street lights. The anticipated return on investment is less than 3 years. Operating cost savings have been incorporated into the FY20 municipal budget. The design of the renovation and expansion of the Rice Public Library has been consolidated from a three-year phasing to a two-year phasing schedule; due in large part to the planning done by the Library Building Committee. The design contract calls for work to progress through schematic design, followed by a bond vote. If the voters approve the construction bond, the remaining design will be completed; if not, design activity will be halted so the Town can assess the vote results and determine next steps. The anticipated timing for the bond vote is November 2019.

#### Capital Improvement Costs by Category



## Section II

# Department Budgets



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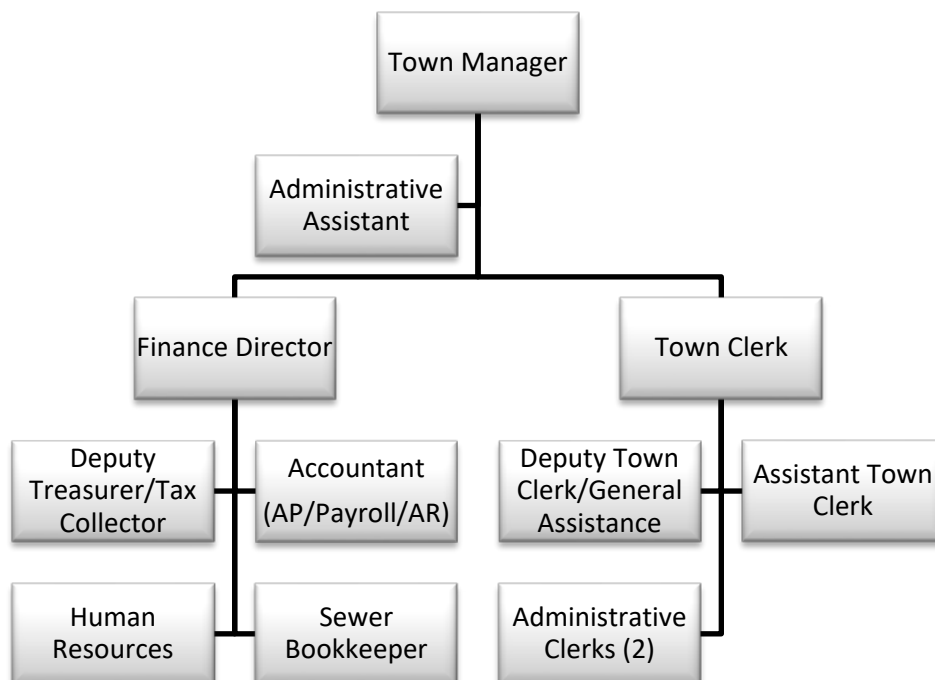


## ADMINISTRATION

### 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	FY19 Budget	FY20 Proposed
Town Manager (shared with Sewer Fund)	0.75	0.75
Administrative Assistant	1	1
Finance Director/Assistant Town Manager	1	1
Deputy Treasurer/Tax Collector (reclassified FY19)	1	1
Accountant	1	1
Sewer Bookkeeper (paid for by Sewer Fund)	.50	1
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>11.25</b>	<b>11.75</b>

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**BUDGET OVERVIEW**

The Administration budget is proposed to increase 2.0%, approximately \$20,071.

The Council amended the Town Manager contract in December of 2018. It was discovered in the process of updating the wages and deductions in the payroll system, that the contractual stipends (vehicle and cell phone) had been incorrectly calculated in the prior years. The Town Manager has not received the contractual vehicle stipend (\$350/month) or full cell phone stipend (\$80/month) since FY2017. The Town Manager has decided to forego the stipends through FY19 to protect the overall bottom-line budget. The proposed FY20 budget addresses the calculation error.

The Finance Director title has been adjusted to include “Assistant Town Manager”, however the salary remains consistent with the prior year. The title change was implemented to recognize the existing responsibilities of the position and to attract the best possible candidate.

In the prior year, the Sewer Bookkeeper/Assistant Tax Collector was reallocated to the General Fund budget to reflect the positions evolved focus on General Fund operations. Additionally, the position was reclassified to Deputy Treasurer/Tax Collector to reflect the treasury functions of the role. The FY20 budget reflects the reclassified wage rate. The reclassification did not increase the number of FTEs funded by the General Fund. The Sewer Bookkeeper role was increased from part-time to full-time to reflect the needed support for the enterprise operation.

Other salary increases reflect contractual cost of living and longevity milestones. The Town Clerk position is currently vacant. A salary estimate is incorporated into the budget.

Postage has increased to reflect the \$0.05 increase effective January 2019. Electricity continues to trend downward resulting from the supply contract negotiated by the town in 2018. The Machine and Equipment budget increased again in an attempt to better reflect the annual maintenance and small repair costs for the Town Hall facility building systems. These costs do not qualify as capital expenditures per the town’s policy.

Computer services increases reflect increased annual software licenses for TRIO and MUNIS and anticipated cost increases for technology management services.

Other Professional Services is decreased \$20,000. This line provides funds for special projects, consulting, or other services not anticipated in the budget planning process, but deemed necessary during the course of the fiscal year. Though not ideal, the reduction supports the overall effort to minimize the bottom-line budget increase.

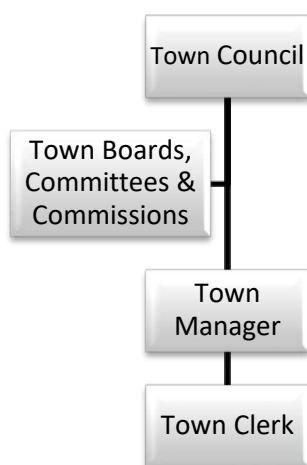
ADMINISTRATION	FY16	FY17	FY18	FY19	FY20		
101110	ACTUALS	ACTUALS	ACTUALS	ADJ BUDGET	PROPOSED	VARIANCE	%
64011 MANAGER SALARY (75%)	80,117	57,283	88,973	92,910	100,703	7,793	
64014 TOWN CLERK SALARY	71,777	70,283	70,887	62,753	65,000	2,247	
64017 CLERKS SALARIES	192,838	195,299	236,949	305,082	322,314	17,232	
64018 HR GENERALIST	62,647	43,593	53,020	54,233	55,860	1,627	
64020 PART TIME SALARIES	-	39,190	30,540	-	-	-	
64026 FINANCE DIRECTOR SALARY	88,339	70,421	96,873	99,088	98,386	(702)	
64027 CUSTODIAN WAGES	9,045	7,907	4,980	7,593	13,775	6,182	
64030 OVERTIME	3,942	6,609	3,170	2,000	2,000	-	
64033 SICK TIME BUY BACK	-	2,027	1,807	-	-	-	
64031 SALARY ADJUSTMENT	-	-	-	50,000	50,000	-	
<b>Total Personal Services</b>	<b>508,704</b>	<b>492,612</b>	<b>587,198</b>	<b>673,659</b>	<b>708,037</b>	<b>34,378</b>	<b>5.1%</b>
65010 POSTAGE	12,238	11,277	10,641	12,000	13,000	1,000	
65020 TELEPHONE & INTERNET	9,205	9,082	7,347	8,000	9,000	1,000	
65030 TRANSPORTATION	1,394	-	-	1,500	1,500	-	
65040 EDUCATIONAL/MEETING EXPENSES	4,560	1,560	2,496	5,000	5,000	-	
65060 PRINTING	4,194	5,431	4,566	5,000	5,000	-	
65080 LEGAL NOTICES/OTHER ADV	8,682	6,228	1,214	3,000	3,000	-	
65110 TOWN MANAGER SEARCH	-	-	-	-	-	-	
65200 ELECTRICITY	14,080	15,646	12,175	16,000	15,000	(1,000)	
65220 WATER	381	313	317	335	350	15	
65230 FUEL OIL	4,465	4,330	4,514	4,200	4,200	-	
65240 DUMPSTERS	562	562	587	600	600	-	
65250 SEWER	195	210	240	180	240	60	
65300 MACHINE & EQUIPMENT MAINT	49,698	62,602	44,477	30,000	32,000	2,000	
65400 LEGAL SERVICES	98,483	70,876	60,872	60,000	60,000	-	
65410 COMPUTER SERVICES	29,481	38,931	40,691	43,332	45,000	1,668	
65415 WEB PAGE	3,475	3,530	7,475	3,500	3,500	-	
65420 TECHNICAL SUPPORT	1,349	2,049	-	-	-	-	
65430 AUDIT SERVICES	16,143	15,500	15,500	16,500	16,500	-	
65480 OTHER PROFESSIONAL SERVICES	60,826	128,816	34,759	50,000	30,000	(20,000)	
65500 MAINTENANCE OF BLDG/GROUNDS	18,031	12,020	10,191	16,500	16,500	-	
65980 PROFESSIONAL SERVICES FINANCE	1,659	2,570	3,219	-	-	-	
66010 OFFICE SUPPLIES	12,265	7,083	14,061	8,000	8,000	-	
66020 BOOKS/SUBSCRIPTIONS	779	711	1,001	1,000	1,000	-	
66025 MAINE MUNICIPAL ASSOC. DUES	11,970	12,090	12,157	12,550	12,700	150	
66030 OTHER SUPPLIES	-	206	861	-	-	-	
66035 ABSTRACTS & LIENS	8,500	8,377	7,502	9,500	9,500	-	
66040 JANITORIAL SUPPLIES & SERVICES	908	1,084	2,486	700	1,000	300	
67510 OFFICE FURNITURE & EQUIPMENT	787	-	1,680	1,000	1,500	500	
<b>Total Expenses</b>	<b>374,309</b>	<b>421,086</b>	<b>301,030</b>	<b>308,397</b>	<b>294,090</b>	<b>(14,307)</b>	<b>-4.6%</b>
<b>TOTAL ADMINISTRATION</b>	<b>883,013</b>	<b>913,698</b>	<b>888,228</b>	<b>982,056</b>	<b>1,002,127</b>	<b>20,071</b>	<b>2.0%</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

POSITION	FY19 Budget	FY20 Proposed
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 Council is also eligible for expense reimbursement for travel to professional development programs, and for materials and supplies. Members of the Town Council historically have not sought reimbursement.

The Council requested \$5,000 be added in the prior year's budget for consideration of the Town Manager's compensation. The Council renegotiated the Manager's contract in December of 2018, eliminating the need for such funds to be carried in the FY20 budget.

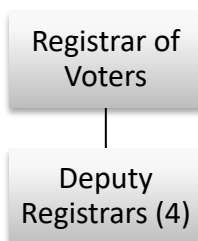
<b>TOWN COUNCIL</b>	<b>FY16</b>	<b>FY17</b>	<b>FY18</b>	<b>FY19</b>	<b>FY20</b>		
<b>101115</b>	<b>ACTUALS</b>	<b>ACTUALS</b>	<b>ACTUALS</b>	<b>BUDGET</b>	<b>PROPOSED</b>	<b>VARIANCE</b>	<b>%</b>
64001 COUNCIL STIPEND	2,920	3,040	2,780	4,000	4,000	-	
65480 OTHER PROF SERVICES	2,495	1,896	244	3,000	3,000	-	
66037 COUNCIL EXPENSES	74		1,069	5,350	350	(5,000)	
<b>TOTAL TOWN COUNCIL</b>	<b>5,489</b>	<b>4,936</b>	<b>4,093</b>	<b>12,350</b>	<b>7,350</b>	<b>(5,000)</b>	<b>-40%</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	FY19 Budget	FY20 Proposed
Registrar (Town Clerk in Administration Budget)	1	1
Deputy Registrars (PT as needed)	4	4
<b>Total FTE</b>	N/A	N/A

### BUDGET OVERVIEW AND RECOMMENDATION

The FY20 budget is level funded. It includes funds for the November election, which will be local and state referendum only, and the June Town Meeting election.

Additional voting machines are being considered for the next federal and statewide election (Nov 2020) along with additional staff to assist voters during elections. The town is working with the State on arrangements to lease additional machines in FY21. Outreach is ongoing to attract and train additional election workers.

ELECTIONS	FY16	FY17	FY18	FY19	FY20		
101130	ACTUALS	ACTUALS	ACTUALS	BUDGET	PROPOSED	VARIANCE	%
64020 PART TIME SALARIES/VOTER REG/ELECTIONS	1,592	1,928	2,569	2,500	2,500	-	
65010 ELECTION EXPENSES	-	-	708	-	-	-	
65010 POSTAGE	99	557	322	600	600	-	
65060 PRINTING	3,847	4,068	10,458	4,500	4,500	-	
65480 OTHER PROFESSIONAL SERVICES	2,533	2,872	1,378	4,050	4,050	-	
66010 OFFICE SUPPLIES	16	187	55	150	150	-	
67500 CAPITAL OUTLAY ELECTIONS	-	-	-	-	-	-	
67510 OFFICE FURNITURE & EQUIPMENT	1,871	-	-	-	-	-	
<b>TOTAL ELECTIONS</b>	<b>9,957</b>	<b>9,611</b>	<b>15,490</b>	<b>11,800</b>	<b>11,800</b>	<b>-</b>	<b>0.0%</b>

## SHARED EXPENSES

### DESCRIPTION

Shared expenses represent employee and insurance 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. A combined Shared Expenses budget allows for a better understanding of the impact of cost increases in health plans or retirement assessments 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, and therefore 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 \$80,453, approximately 3.0%.

The FY20 budget includes employment benefits costs of the Library as a result of it becoming a town department effective July 1. The Library has five benefit-eligible employees. Assumptions have been made about their participation in the available retirement programs, health, dental, and life insurance packages in order to ensure there is sufficient funding for these items.

Maine State Retirement costs are increasing \$55,309. The increase includes retirement contributions associated with contractual wage increases and the transition of the Animal Control Officer from part-time to full-time. The town's percentage-based contribution to the retirement fund has not changed from the prior year; it is 10% for non-public safety employees and 16.3% for public safety professionals (Police Officers).

Major Medical is projected to increase \$26,090. This reflects a 4% increase in the health insurance provided through Allegiant (union employees) and a 9% increase in MMA insurance (non-union employees).

Retiree Medical is projected to decrease \$9,318. The budget is challenging to estimate as retirements are not always announced prior to the budget being finalized. The decrease reflects existing retiree transitions from early-retiree plans to medicare supplemental plans.

Workers compensation is expected to decrease by approximately \$36,587. The reduction reflects a revised allocation formula with Sewer and the Schools, and a favorable insurance rate realized from the improved workplace safety. The Safety Committee continues to meet regularly to review workplace injury cases and identify safety improvements to prevent and lessen employee injuries. The Committee is preparing to apply for the next round of safety grants to purchase equipment that reduces strains and chances of reinjury.

	FY16	FY17	FY18	FY19	FY20		
EMPLOYEE BENEFITS & INSURANCE	ACTUALS	ACTUALS	ACTUALS	BUDGET	PROPOSED	VARIANCE	%
<b>103000 - 103003</b>							
64050 MAINE STATE RETIREMENT	347,817	370,402	419,019	479,268	534,577	55,309	11.5%
64051 ICMA EMPLOYER SHARE	28,275	23,138	26,126	28,426	26,710	(1,716)	-6.0%
64060 FICA EMPLOYER SHARE	324,612	344,953	353,549	388,905	427,088	38,183	9.8%
64070 WORKERS COMPENSATION	140,436	165,773	149,608	186,587	150,000	(36,587)	-19.6%
64090 MAJOR MEDICAL INSURANCE	865,601	938,887	1,018,100	1,134,533	1,160,623	26,090	2.3%
64091 DENTAL INSURANCE	7,891	8,289	10,882	13,845	13,763	(82)	-0.6%
64092 DISABILITY INSURANCE	21,626	23,704	26,011	28,756	32,000	3,244	11.3%
64090 RETIRED EMPLOYEE MEDICAL/DENTAL	137,277	152,230	159,736	212,306	202,988	(9,318)	-4.4%
65101 MMA RISK POOL (PROP & CASUALTY)	131,834	138,212	156,767	170,949	176,077	5,128	3.0%
66036 SELF INSURANCE CLAIMS	23,013	18,520	9,049	-	-	-	0.0%
65115 UNEMPLOYMENT COMPENSATION	62	1,151	78	-	-	-	0.0%
65150 MISCELLANEOUS INSURANCE LIFE E	3,835	4,194	4,572	4,600	4,600	-	0.0%
65210 UNION CENTRAL LIFE INS	2,340	2,381	2,662	2,600	2,800	200	7.7%
<b>BENEFITS AND INSURANCE</b>	<b>2,034,617</b>	<b>2,191,835</b>	<b>2,336,159</b>	<b>2,650,775</b>	<b>2,731,228</b>	<b>80,453</b>	<b>3.0%</b>



## DEBT SERVICE

### BUDGET OVERVIEW

The municipal debt service is decreasing \$13,131 in FY20. This is attributed to the natural decrease in interest costs as principal on various bonds are amortized each year.

The current Capital Improvement Plan does not project a need for additional bonding during FY20. The town expects the Rice Public Library will necessitate bonding within the next two years. There are currently three committees established to address the future of the Library buildings and determine the best course of action moving forward.

DEBT SERVICE	FY16	FY17	FY18	FY19	FY20	
101230	ACTUALS	ACTUALS	ACTUALS	BUDGET	PROPOSED	VARIANCE
68057 RUSTLEWOOD FARM - PRINC	6,043	6,076	6,127	6,199	6,292	93
68065 2006 FIRE STATION BOND	155,000	125,000	125,000	115,000	115,000	-
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	225,000	-
68069 KLT BRAVE BOAT HEADWATERS PRINC	-	-	11,352	11,463	11,592	129
68257 RUSTLEWOOD FARM INTEREST	4,272	4,239	4,188	4,116	4,023	(93)
68265 2006 FIRE STATION BOND INT	60,413	42,213	22,100	19,700	17,400	(2,300)
68268 2015 CIP BONDS INTEREST	28,350	42,830	38,250	33,750	29,250	(4,500)
68269 KLT BRAVE BOAT HEADWATERS INT	-	6,318	6,738	6,627	6,498	(129)
68295 PWD BLDG/SALT SHED BOND INT	17,375	16,675	15,975	15,231	14,400	(831)
68297 2012 KCC BOND INT	110,275	104,775	99,275	93,775	88,275	(5,500)
<b>DEBT &amp; INTEREST</b>	<b>691,728</b>	<b>891,126</b>	<b>864,005</b>	<b>840,861</b>	<b>827,730</b>	<b>(13,131) -1.6%</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. 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 increase of \$74,997, approximately 4.8%

The annual County Tax assessment is increasing from \$869,853 to \$893,000, approximately 2.7%. The Town Manager and Police Chief met with Kittery's County Commissioner and the County Manager in spring of 2019. The intent was to better understand what the town receives in terms of services for its county tax contribution and how the town can derive more benefit from the services. Additional focus will be placed on the county relationship in the coming years.

Electricity for streetlights is projected to decrease significantly, from \$110,000 to \$45,000. The town will transition to energy efficient LED lighting early in the new fiscal year. The cost reduction is based on energy savings projections incorporated into the conversion project. The project is expected to have a return-on-investment of less than three years.

Computer repair and replacement cost is increasing \$3,000 over the prior year. The actual increase is \$9,000 with the annual license fee (approximately \$6,000) for the online permitting software being shifted to the Planning Department budget for FY20. The town issued a request for proposals in April 2019 for IT Services to manage the various critical technology infrastructure utilized by staff. In the past six months, the town's main email and network servers have crashed or gone offline no less than twice for significant periods of time. The restorations have been time-consuming, costly, and have not resulted in a more stable environment. The new IT service will focus on a managed/preventative model to technology rather than a "pay as you go" reactionary approach. The costs are expected to increase in the first year. However, once a consolidated and efficiently designed environment is in place, the annual operating costs should drop slightly.

The TIF districts are expected to increase \$110,000 to an annual total of \$235,000. The redevelopment of TIF parcels are occurring without the need for direct investment in infrastructure in two of the districts. An analysis of the TIF benefits and costs are underway and may result in the proposal to eliminate one or more of the TIF districts in the future.

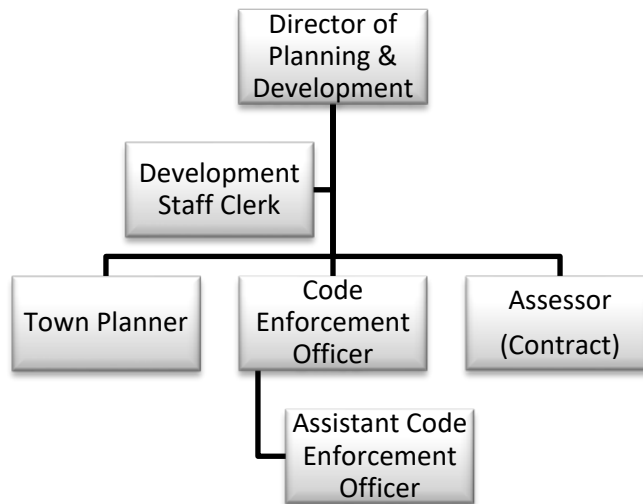
	FY16	FY17	FY18	FY19	FY20		
MISCELLANEOUS	ACTUALS	ACTUALS	ACTUALS	BUDGET	PROPOSED	VARIANCE	%
<b>101330 STREETLIGHTS</b>							
65200 ELECTRICITY - STREETLIGHTS	126,389	115,805	112,011	110,000	45,000	(65,000)	
65300 MACHINE & EQUIPMENT MAINT	2,210	12,380	14,033	10,000	10,000	-	
67500 STREET LIGHT EQUIPMENT	-	21,683	1,136	-	-	-	
<b>101350 CIVIL PREPAREDNESS</b>							
65020 CIVIL PREPAREDNESS TELEPHONE/INTERNET	-	-	-	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	48,141	59,440	47,976	50,000	50,000	-	
<b>101530 PUBLIC HEALTH</b>							
64020 PUBLIC HEALTH SALARIES	528	520	520	520	520	-	
<b>101150 COUNTY TAX</b>							
65480 COUNTY TAX	912,948	909,420	930,931	869,853	893,000	23,147	2.7%
<b>101750 BANK FEES</b>							
65954 BANK FEES & CHARGES	691	557	599	600	600	-	
<b>101155 TIF DISTRICTS</b>							
65000 TIF FINANCING PLAN AMOUNT	60,901	60,901	167,985	125,000	236,000	111,000	
<b>101340 HYDRANTS</b>							
65300 HYDRANT RENT MACHINE & EQUIP M	224,348	246,775	254,179	261,804	261,804	-	
<b>101740 MISCELLANEOUS - GENERAL</b>							
65023 EPA STORMWATER 4 PROGRAM	17,673	17,125	17,839	19,600	19,600	-	
65025 COMPUTER REPAIR/REPLACEMENT	39,278	46,905	38,300	42,000	45,000	3,000	
65455 MEMORIAL DAY ACTIVITIES	-	732	732	700	700	-	
65950 SEACOAST SHIPYARD ASSOC	1,500	1,500	-	-	-	-	
65951 SHELLFISH CONSERVATION COMMISS	2,875	-	650	3,560	3,560	-	
66036 CONSERVATION COMMISSION	75	110	165	500	500	-	
68428 GRANT MATCHING FUNDS	37,000	22,647	10,000	-	-	-	
OLD TRANSFERS IN/OUT	-	-	13,066	-	-	-	
68525 MOSQUITO/TICK/WEEDS CONTROL PRGM	30,000	22,185	37,688	35,000	36,750	1,750	
68532 GIS WEB ACCOUNT	4,500	3,600	2,700	3,600	3,400	(200)	
69200 PSAP PAID TO YORK PD	26,068	26,068	26,068	28,000	30,000	2,000	
<b>TOTAL MISCELLANEOUS EXPENSES</b>	<b>1,535,124</b>	<b>1,568,352</b>	<b>1,676,579</b>	<b>1,561,437</b>	<b>1,636,434</b>	<b>74,997</b>	<b>4.8%</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

POSITION	FY19 Budget	FY20 Proposed
Director of Planning & Development	1	1
Town Planner	1	1
Assistant Town Planner	0	0
Development Staff Clerk	1	1
Code Enforcement Officer	1	1
Assistant Code Enforcement Officer	1	1
Shoreland Resource/Environmental Officer	0.40	0
<b>Total FTE</b>	<b>5.40</b>	<b>5.0</b>

## BUDGET OVERVIEW

The Assessing budget has been incorporated into the Planning and Development budget. Assessing services are overseen by the Planning Director and supported within the overall department. The Planning Board and Board of Appeals budget is still presented as a separate department for FY20, but will likely be incorporated into the department in the future.

The overall proposed increase of the combined planning, code, and assessing is \$32,884, approximately 6.56%.

Wage costs reflect contractual increases and longevity adjustments based on years of service. The Town Planner was hired after the prior year's budget was finalized, and at a higher starting wage than originally anticipated. The \$6,350 increase in the Planner salary reflects the difference between the projected rate and the actual hiring rate, plus the annual cost of living increase.

The proposed budget eliminates the Shoreland Resource Officer. Both the Code Enforcement Officer and Assistant Code Enforcement Officer are trained and certified in Shoreland Enforcement and should be able to manage the plan review and code enforcement efforts for the department. The workload will be managed throughout the year to determine if two FTEs is sufficient to meet the customer and town needs.

Computer services is expected to increase \$6,340 to cover the annual license fee for the online permitting software launched last year.

The department will be looking to transition the GIS system in FY20 and address the property line – GIS misalignment issues. The project will be funded through TIF funding. The new system will provide a one-stop solution for customers and staff to access property data through the GIS system. Linked data will include permits and property cards. Annual license fees will be incorporated into the operating budget in FY21 and on. It is expected the annual costs will be neutral or less than current costs for GIS and mapping services.

Other professional services are increasing to accommodate the first-year payment of a real estate property revaluation. The Town valuation is currently at approximately 80% of market. State law requires a revaluation at 70% or less of market value, or at least every ten years, which ever occurs first. As the difference between market and town valuation grows, the effect of a revaluation will become more dramatic. Waiting any longer is not advisable. The cost of the revaluation will be spread over three years, and is approximately \$97,000.

<b>PLANNING BOARD &amp; BOARD OF APPEALS</b>	<b>FY16</b>	<b>FY17</b>	<b>FY18</b>	<b>FY19</b>	<b>FY20</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	12	4	102	500	300	(200)	
65040 EDUCATIONAL/MEETING EXPENSES	632	295	750	1,750	1,500	(250)	
65060 PRINTING	30	415	-	500	300	(200)	
65080 LEGAL NOTICES & OTHER ADVERTIS	2,832	1,603	326	1,500	1,750	250	
65480 OTHER PROFESSIONAL SERVICES	2,175	2,795	2,421	5,000	2,500	(2,500)	
66010 OFFICE SUPPLIES	270	-	72	200	200	-	
66026 SMPDC MEMBERSHIP	4,300	4,654	4,562	4,699	5,500	801	
<b>TOTAL PLANNING BOARD &amp; BOARD OF APPEALS</b>	<b>10,251</b>	<b>9,765</b>	<b>8,234</b>	<b>14,149</b>	<b>12,050</b>	<b>(2,099)</b>	<b>-14.8%</b>

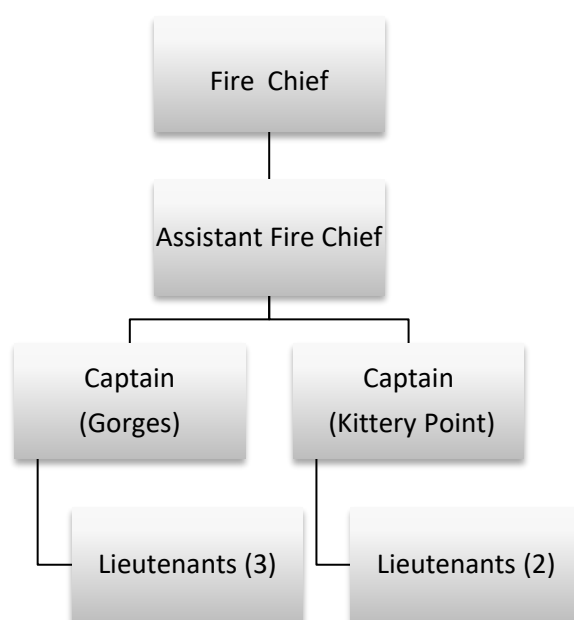
<b>PLANNING &amp; CODE ENFORCEMENT</b>		<b>FY16</b>	<b>FY17</b>	<b>FY18</b>	<b>FY19</b>	<b>FY20</b>		
<b>101721</b>		<b>ACTUALS</b>	<b>ACTUALS</b>	<b>ACTUALS</b>	<b>BUDGET</b>	<b>PROPOSED</b>	<b>VARIANCE</b>	<b>%</b>
64042	DIRECTOR OF PLANNING AND DEVELOPMENT	-	-	-	97,138	99,323	2,185	
64006	PLANNER SALARY	73,792	75,216	94,270	55,000	61,350	6,350	
64005	CODE ENFORCEMENT SALARY	62,409	62,519	63,771	65,806	66,700	894	
64010	DEVELOPMENT STAFF CLERK	30,519	37,611	38,362	39,249	40,432	1,183	
64017	ASSISTANT PLANNER	37,508	46,261	18,311	-	-	-	
64018	ASST CODE ENFORCEMENT OFFICER	48,273	47,381	50,026	51,879	53,302	1,423	
64020	SHORELAND RESOURCE OFFICER	13,629	18,020	18,711	19,307	-	(19,307)	
64030	OVERTIME	760	428	1,469	-	-	-	
64002	ASSESSOR SALARY	3,597	-	-	-	-	-	
<b>Total Personal Services</b>		<b>270,487</b>	<b>287,436</b>	<b>284,919</b>	<b>328,379</b>	<b>321,107</b>	<b>(7,272)</b>	<b>-2%</b>
65010	POSTAGE	567	905	860	600	600	-	
65020	TELEPHONE & INTERNET	1,098	1,347	1,154	1,350	1,350	-	
65030	TRANSPORTATION	122	19	250	1,250	1,000	(250)	
65040	EDUCATIONAL/MEETING EXPENSES	903	710	605	3,000	3,000	-	
65060	PRINTING	274	693	368	900	800	(100)	
65070	MAPS	-	3,507	5,165	5,500	3,300	(2,200)	
65080	LEGAL NOTICES & OTHER ADVERTIS	-	-	300	-	-	-	
65300	MACHINE & EQUIPMENT MAINT	1	7,686	3,686	4,000	2,000	(2,000)	
65310	VEHICLE MAINTENANCE	-	-	-	250	300	50	
65311	GAS, GREASE & OIL	526	479	406	500	540	40	
65400	LEGAL SERVICES	9,724	11,360	4,870	10,000	9,000	(1,000)	
65410	COMPUTER SERVICES	-	8,575	6,595	8,500	14,840	6,340	
65411	BOARD OF ASSESSMENT REVIEW	-	100	65	200	200	-	
65423	PERSONAL PROPERTY EVAL. SERVICES	-	-	10,000	10,000	10,000	-	
65425	VISION INTERNET	3,412	2,250	2,250	2,750	9,475	6,725	
65480	OTHER PROFESSIONAL SERVICES	62,733	100,339	125,534	105,000	140,000	35,000	
65521	UNIFORMS	300	273	221	450	350	(100)	
66010	OFFICE SUPPLIES	1,347	652	1,256	1,100	1,100	-	
66020	BOOKS/SUBSCRIPTIONS	318	661	105	950	700	(250)	
66030	OTHER SUPPLIES	584	123	170	500	250	(250)	
66035	ABSTRACTS & LIENS TRANSFERS	558	884	1,064	800	800	-	
67510	OFFICE FURNITURE & EQUIPMENT	642	-	-	500	750	250	
<b>Total Expenses</b>		<b>83,110</b>	<b>140,563</b>	<b>164,925</b>	<b>158,100</b>	<b>200,355</b>	<b>42,255</b>	<b>27%</b>
<b>TOTAL PLANNING &amp; CODE ENFORCEMENT</b>		<b>353,597</b>	<b>427,999</b>	<b>449,844</b>	<b>486,479</b>	<b>521,462</b>	<b>34,983</b>	<b>7.2%</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	FY19 Budget	FY20 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 department budget is projected to increase \$19,172, or approximately 5.8%.

The FY20 budget includes wages for the full-time Fire Chief. The Town Council requested the Fire Chief position be evaluated for transition to a full-time position in 2019. The Fire Chief has also assumed the responsibilities of the Emergency Management Director, eliminating the stipend paid to a Police Officer for this role.

The personnel costs include the stipend program implemented in the prior fiscal year to ensure firefighters were available and ready to respond during the summer, on weekends and certain holidays during the year.

The LED lighting conversion in the apparatus bays combined with competitive pricing secured by the town for electrical supply is resulting in \$1,412 in savings in electrical costs over the prior year.

The Operating Equipment increase of \$4,000 reflects the cost of purchasing battery powered equipment, specifically a vent fan, for Engine 5. This cost does not qualify as a capital expenditure under the town's capital policy.

The Fire Chief is continuing to track the average Firefighter response to calls for service each year. Safe fire response generally requires a minimum of nine firefighters and one Incident Commander, for a total of 10. Though the response to calls had slightly improved in 2017; the 2018 response averages dipped significantly, resulting in more response gaps weekly and monthly throughout the year. The stipend program has helped to ensure there is a response, but it is not turning the tide relative to ensuring there is consistently enough firefighters responding to emergency calls.

#### Average Response by Month, Day of Week, and Time

Month	Firefighters per Call	
	2017	2018
January	13.2	9.3
February	12.0	10.2
March	11.9	9.9
April	12.7	10.7
May	11.6	9.1
June	11.5	9.5
July	11.5	9.6
August	9.5	9.5
September	9.7	8.2
October	10.0	8.9
November	9.9	8.4
December	10.5	9.0

Day of the Week	12AM - 8AM		8AM - 4PM		4PM - 12AM	
	2017	2018	2017	2018	2017	2018
Sunday	10.0	9.8	11.4	9.9	13.0	10.1
Monday	10.6	8.8	11.2	8.4	14.1	10.0
Tuesday	8.5	8.4	9.8	8.5	14.6	12.3
Wednesday	11.0	8.0	9.6	9.3	12.6	11.4
Thursday	9.0	8.9	9.9	8.1	12.3	11.3
Friday	11.2	7.3	9.2	7.5	11.5	8.9
Saturday	11.5	9.3	9.8	10.0	12.0	10.6



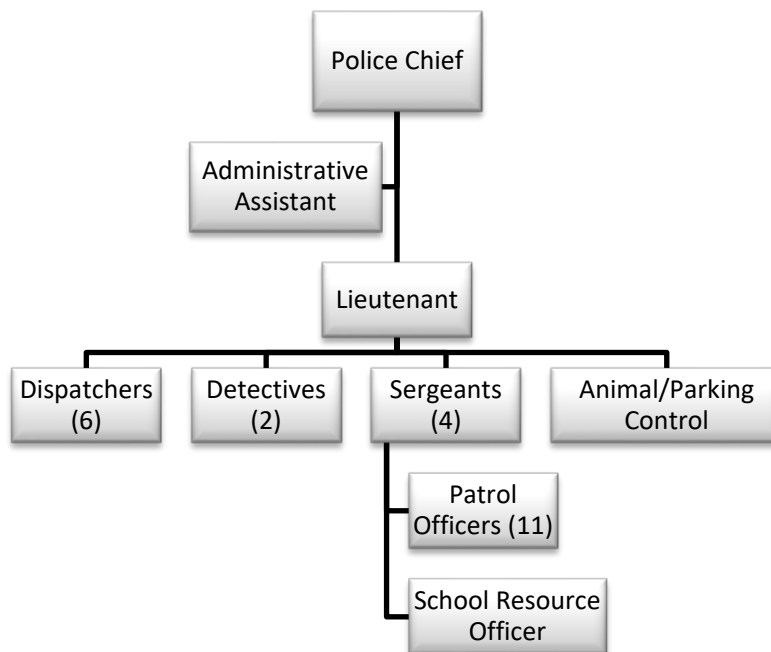
FIRE		FY16	FY17	FY18	FY19	FY20		
101320		ACTUALS	ACTUALS	ACTUALS	BUDGET	PROPOSED	VARIANCE	%
64003	FIRE CHIEF SALARY	49,167	52,788	53,635	55,459	89,469	34,009	
64020	PART TIME SALARIES	142,976	139,642	128,632	135,296	120,925	(14,371)	
64043	ON-CALL FIREFIGHTING PAY	-	-	-	18,144	16,320	(1,824)	
64095	ACCIDENT & HEALTH	1,938	1,938	1,938	1,938	2,072	134	
<b>Total Personal Services</b>		<b>194,080</b>	<b>194,367</b>	<b>184,205</b>	<b>210,837</b>	<b>228,786</b>	<b>17,948</b>	<b>8.5%</b>
64050	POSTAGE	22	2	6	-		-	
65020	TELEPHONE & INTERNET	7,568	7,701	8,630	8,340	8,160	(180)	
65040	EDUCATIONAL/MEETING EXPENSES	2,187	1,518	1,409	2,034	2,085	51	
64045	TRAINING	7,646	3,793	600	5,000	4,650	(350)	
65046	HEALTH/PHYSICAL	1,486	1,200	1,200	2,778	2,618	(160)	
65080	LEGAL NOTICES/OTHER ADVERTISE	175	-	103	-	-	-	
65200	ELECTRICITY	10,958	11,318	9,889	10,100	8,688	(1,412)	
65220	WATER	269	288	293	302	302	-	
65230	FUEL OIL	25,972	20,034	18,524	17,000	17,000	-	
65250	SEWER	300	300	300	300	400	100	
65300	MACHINE & EQUIPMENT MAINT	27,650	34,157	37,337	29,029	29,029	-	
65302	PROTECTIVE & SAFETY EQUIPMENT	1,445	1,964	1,958	3,120	3,660	540	
65311	GAS, GREASE & OIL	7,079	6,353	5,710	7,250	7,185	(65)	
65312	TIRES & TUBES	-	-	-	2,600	1,200	(1,400)	
65330	RADIO MAINTENANCE	5,451	3,751	2,070	4,657	4,657	-	
65480	OTHER PROFESSIONAL SERVICES	2,011	7,815	7,484	7,056	7,156	100	
65500	MAINTENANCE OF BLDG/GROUNDS	9,687	9,117	10,798	15,335	15,335	-	
66010	OFFICE SUPPLIES	568	193	603	672	672	-	
66020	BOOKS/SUBSCRIPTIONS/DUES	-	-	-	200	200	-	
66040	JANITORIAL SUPPLIES & SERVICES	418	727	531	600	600	-	
67505	EXTINGUISHER MAINTENANCE	-	178	714	500	500	-	
67515	LANTERNS & BATTERIES	279	108	42	200	200	-	
67520	OPERATING EQUIPMENT	4,579	1,999	5,645	4,000	8,000	4,000	
<b>Total Expenses</b>		<b>115,749</b>	<b>112,516</b>	<b>113,847</b>	<b>121,073</b>	<b>122,297</b>	<b>1,224</b>	<b>1.0%</b>
<b>TOTAL FIRE</b>		<b>309,830</b>	<b>306,883</b>	<b>298,052</b>	<b>331,910</b>	<b>351,083</b>	<b>19,172</b>	<b>5.8%</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	FY19 Budget	FY20 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	1
Administrative Assistant	1	1
<b>Total FTE</b>	<b>27.75</b>	<b>28.00</b>

**BUDGET OVERVIEW**

The overall Police budget is projected to increase by \$96,867, or 4.34%.

Total personnel expenses are increasing \$53,522 or approximately 2.67%. Longevity is playing a significant role in the salary increases, with six employees transitioning to the next level of longevity in FY20. There will be nine employees with a longevity benefit of between 11% and 16% applied to their base salary in FY20.

The budget includes the transition of the Animal Control Officer from part-time to full-time. This position is expected to be a part of the Police Officer collective bargaining unit, and certified. Fort Foster Fees were recently increased to offset the cost associated with the full-time position. The additional hours will support a greater level of presence at the town's various parks, additional follow-up on animal control issues, and provide more enforcement of parking regulations in hot spots throughout town.

The physical fitness program was introduced through contract negotiations and launched in the prior year. The first year had seven of the 18 eligible Officers participate. The goal is to see this increase each year. The program incentivizes Officers to maintain the Academy physical fitness standards throughout their career in Kittery.

Non-personnel expenses are increasing \$43,345 or 19.15%. The budget includes an increase in training funding of \$7,000. When Chief Richter was hired, he was instructed to ensure that the Kittery Police Department is training and preparing officers for internal promotion opportunities. Career growth contributes to longevity and ensures the town has a well-trained and capable department.

Machine and Equipment maintenance is being increased \$29,032 to reflect the cost of the machine/equipment and technology management. Historically these costs have been charged to other departments, routed through capital funds, or deferred entirely, leading to more costly replacements.

Armory supplies are increasing \$4,000 for the cost of taser supplies. Tasers are a less-than-lethal weapon and have been shown to reduce officer and suspect injury in apprehension scenarios. The taser system was replaced in FY19 due to obsolescence. The new system supports regular training and cartridge replacement.

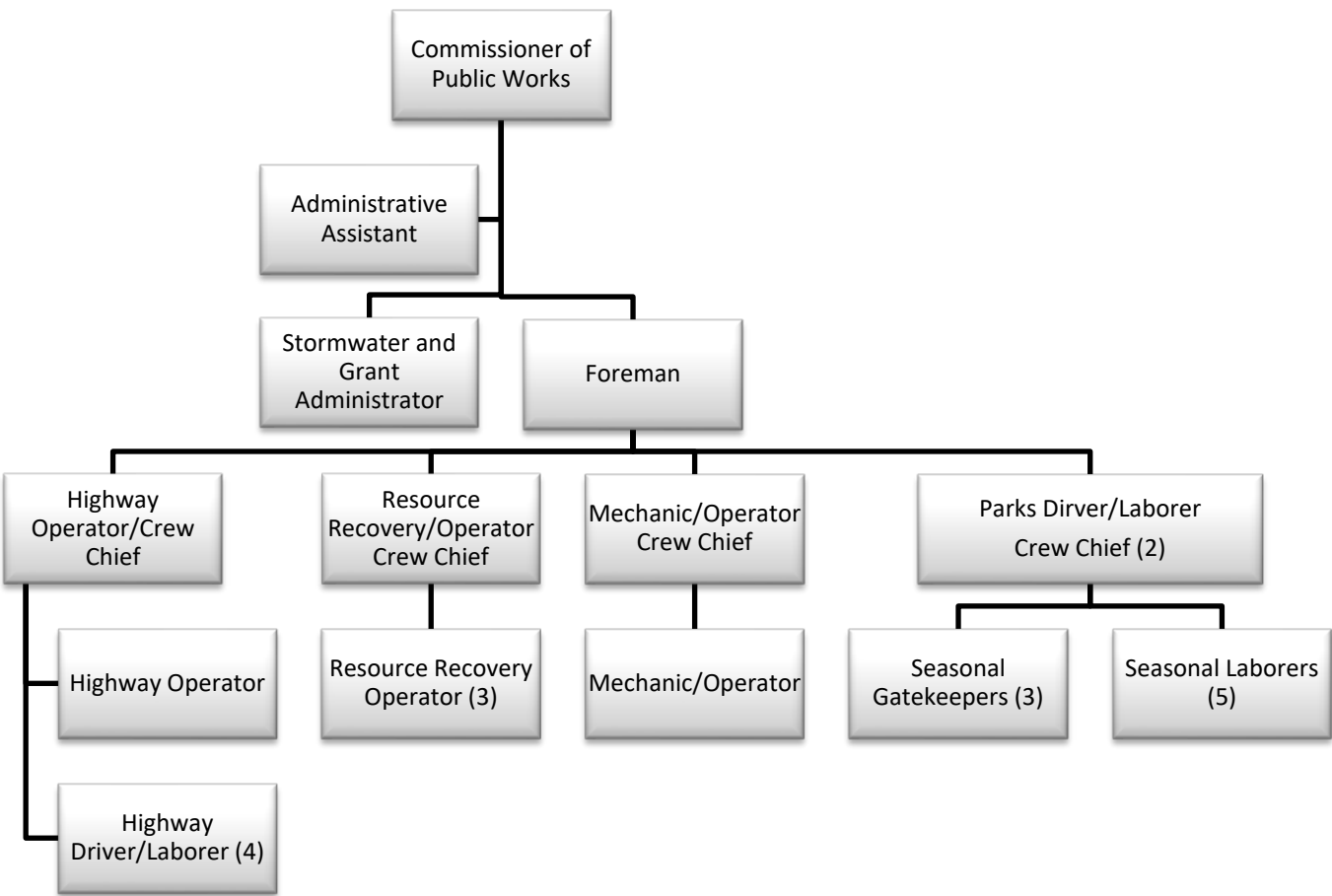
<b>POLICE</b>	<b>FY16</b>	<b>FY17</b>	<b>FY18</b>	<b>FY19</b>	<b>FY20</b>		
<b>101310</b>	<b>ACTUALS</b>	<b>ACTUALS</b>	<b>ACTUALS</b>	<b>BUDGET</b>	<b>PROPOSED</b>	<b>VARIANCE</b>	<b>%</b>
64002 POLICE CHIEF FT SALARY	10,962	95,000	97,919	99,811	97,138	(2,673)	
64003 POLICE CHIEF SHARED SAL/BENES	93,495	-	-	-	-	-	
64012 SERGEANTS SALARIES	227,748	260,985	297,641	310,236	318,214	7,978	
64013 SCHOOL RESOURCE OFFICER	44,969	58,195	59,382	64,196	67,349	3,153	
64014 DETECTIVES SALARIES	131,235	126,164	130,681	140,188	137,841	(2,347)	
64015 PATROLMEN SALARIES	663,069	633,256	658,525	689,100	699,475	10,375	
64016 DISPATCHER SALARIES	290,476	277,586	290,391	323,183	337,892	14,709	
64017 ADMINISTRATIVE ASSISTANT	18,904	39,369	45,154	46,197	47,935	1,738	
64021 MATRON SALARY	764	161	-	-	-	-	
64022 ANIMAL CONTROL OFFICER SALARY	30,350	30,160	30,904	31,668	61,693	30,025	
64023 LIEUTENANT SALARY	67,494	52,981	73,913	75,608	77,498	1,890	
64024 NIGHT DIFFERENTIAL	13,304	14,070	15,352	17,537	17,500	(37)	
64034 PHYSICAL FITNESS STIPEND	-	-	-	5,400	4,900	(500)	
64027 CUSTODIAN WAGES	13,004	12,558	13,054	14,504	14,830	326	
64030 OVERTIME	221,551	172,331	173,065	175,000	175,000	-	
64032 DEA OVERTIME	21,771	26,946	20,772	5,703	-	(5,703)	
64033 SICK TIME BUY BACK	-	2,128	1,907	3,015	1,340	(1,675)	
60435 OUTSIDE DETAIL	8,983	21,564	3,565	3,736	-	(3,736)	
<b>Total Personal Services</b>	<b>1,858,078</b>	<b>1,823,454</b>	<b>1,912,225</b>	<b>2,005,082</b>	<b>2,058,604</b>	<b>53,522</b>	<b>2.67%</b>
65010 POSTAGE	615	502	553	530	530	-	
65020 TELEPHONE & INTERNET	21,182	19,328	20,307	21,025	22,000	975	
65030 TRANSPORTATION	1,090	1,831	2,202	1,800	2,000	200	
65040 EDUCATIONAL/MEETING EXPENSES	8,931	18,031	10,021	15,000	22,000	7,000	
65060 PRINTING	977	626	851	800	1,000	200	
65080 LEGAL NOTICES/OTHER ADVERTISE	1,936	1,280	425	690	700	10	
65200 ELECTRICITY	18,774	20,861	16,233	15,000	15,000	-	
65220 WATER	507	417	423	545	545	-	
65230 FUEL OIL	5,953	6,284	6,163	5,400	5,400	-	
65240 DUMPSTERS	749	749	783	750	750	-	
65250 SEWER	260	280	320	250	300	50	
65300 MACHINE & EQUIPMENT MAINT	32,212	30,401	34,273	39,068	68,100	29,032	
65310 VEHICLE MAINTENANCE	73,822	56,912	21,540	31,450	31,000	(450)	
65311 GAS, GREASE, OIL, & TIRES	-	-	33,663	41,927	40,000	(1,927)	
65470 DOG EXPENSE	165	645	780	750	750	-	
65480 OTHER PROFESSIONAL SERVICES	2,550	6,738	3,935	1,425	3,000	1,575	
65500 MAINTENANCE OF BLDG/GROUNDS	4,270	5,739	2,285	4,900	5,000	100	
65521 UNIFORMS	18,049	22,428	16,335	18,820	19,000	180	
65523 K-9 EXPENSES	638	96	-	-	-	-	
66010 OFFICE SUPPLIES	4,106	3,188	2,572	4,000	4,000	-	
66020 BOOKS/SUBSCRIPTIONS	2,809	2,931	2,653	2,500	4,000	1,500	
66030 OTHER SUPPLIES	13,506	7,000	4,560	3,200	3,200	-	
66032 ARMORY SUPPLIES	-	-	7,569	8,500	12,500	4,000	
66040 JANITORIAL SUPPLIES & SERVICES	1,673	1,655	1,660	1,700	1,700	-	
67510 OFFICE FURNITURE & EQUIPMENT	678	1,344	833	1,000	1,000	-	
67517 BULLET PROOF VESTS	1,234	4,577	5,692	5,300	6,200	900	
<b>Total Expenses</b>	<b>216,685</b>	<b>213,843</b>	<b>196,628</b>	<b>226,330</b>	<b>269,675</b>	<b>43,345</b>	<b>19.15%</b>
<b>TOTAL POLICE</b>	<b>2,074,763</b>	<b>2,037,297</b>	<b>2,108,854</b>	<b>2,231,412</b>	<b>2,328,279</b>	<b>96,867</b>	<b>4.34%</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 recovery needs.

### DEPARTMENT ORGANIZATION



**PERSONNEL SUMMARY**

<b>POSITION</b>	<b>FY19 Budget</b>	<b>FY20 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	3.5	4
Resource Recovery Operators	4	4
Resource Recovery Seasonal	0	0
Grant Administrator	0.5	0
Stormwater and Grant Coordinator (previously shared with Planning)	0.6	1
<b>Total FTE</b>	<b>21.6</b>	<b>22.0</b>

**BUDGET OVERVIEW**

The Public Works budget is projected to increase a combined \$97,590, or 5.18%.

Unless otherwise noted, wage costs reflect contractual increases and step and longevity adjustments based on years of service.

The Commissioner of Public Works was one of the positions assessed for a salary adjustment in FY19. In a review of this role, the base wage was grossly under other department heads that had a similar level of responsibility, experience, and decision-making authority. By bringing the position into parity with other department heads, the town stands a better chance of retaining the expertise and talent of this staff member.

**Highway**

The Highway budget has a \$35,370 increase, approximately 3.3%.

The Stormwater Coordinator position is transitioning from split between DPW and Planning to being wholly assigned to Highway. This role will also assume the grant administration duties with responsibility for coordinating MDOT and other state and federal funded public works projects. The Grants Coordinator position became vacant in the prior year with the retirement of Peter Walsh. The net impact is a reduction of 0.4 FTE in the Planning Department budget.

Non-personnel expenses are increasing to reflect the increased cost of contracts and supplies. \$9,000 of the \$17,400 increase is accounted for in Striping and Other Professional Services. These increases will cover additional roadway striping efforts, and sustained tree maintenance services such as trimming and removal, which have been underway for the past two years. Both of these

efforts improve safety; the tree maintenance program lowers both potential liability and potential loss of power from downed limbs and trees during storms.

### Parks

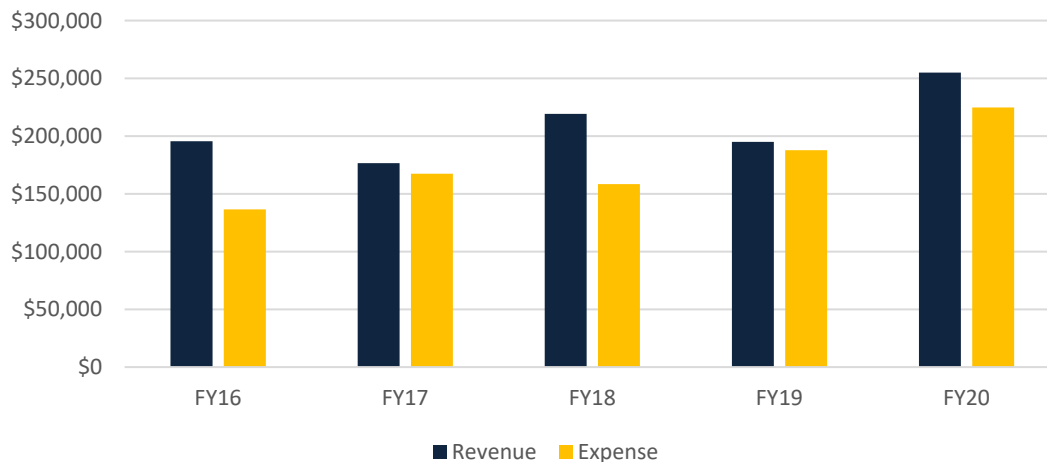
Town Parks are expected to increase \$21,979, approximately 16.4%.

The budget includes the addition of one seasonal worker. This position will assist with summer roadside mowing and park maintenance. In the past two years, there has been the addition of two roadside-landscaped areas: Memorial Circle and the Sarah Mildred Long Bridge approach. The town has also reopened Emery Field, which was recently reconstructed to improve the playing field, and includes a new irrigation system and new turf. The added infrastructure is straining already lean staffing in the Parks division. The increased work is truly seasonal; it is not cost-effective to hire another full-time employee to meet this need.

The Parks Commission is working with the Conservation Commission and DPW on an invasive plant management plan for Fort Foster. Fort Foster has an invasive plant challenge that is impacting the delicate flora and fauna balance at the park. The invasive plant management plan will guide the DPW staff and Fort Foster volunteers, and help focus their efforts and services on agreed upon objectives and techniques grounded in effective invasive-management strategies. The plan is expected to be complete in the first half of FY20.

Fort Foster DPW expenses are expected to increase \$6,156, approximately 4.0%. The cost increases reflect increased supply costs.

### Fort Foster Revenue and Expenses\*



\* - excludes capital expenditures

### Resource Recovery Center

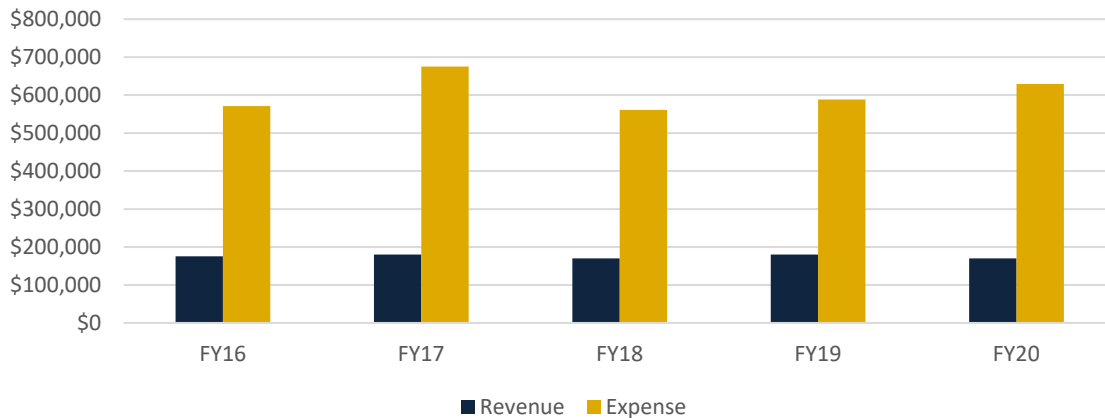
The Resource Recovery Center budget is projected to increase \$34,085, approximately 6.4%.

The budget includes \$14,500 for Other Professional Services which covers town waste and recycling hauling and disposal. The town's waste contract expired in FY19. With the drop-out of the recycling market, more material is being purposely diverted to the waste stream; putting added pressure on the costs of municipal waste disposal. The new contract anticipates five years of service, and incorporates fixed annual increases; sheltering the town from some of the present market volatility.

The recyclables resale market has changed significantly in the past ten years. The metals and cardboard markets are holding, while certain plastics and mixed paper resale rates have dropped off. Single stream recycling programs and uncertainty in the Chinese and US trade relations will likely continue to drive the nationwide market for the near future. Kittery appears to sit in a better position than some other communities that are halting recycling operations all together.

The Town has considered a "Pay as You Throw" program. These programs work well when recyclable materials are diverted from the waste stream; lowering the total tonnage of waste being disposed, and capturing valuable recyclable material for resale. It is unclear if Pay as You Throw will significantly impact the town's relatively strong recyclable materials rate. A wholesale waste reduction program may also be an option to reduce tonnage and buffer the budget from market volatility.

#### Resource Recovery Center\*



\* - excludes capital expenditures



<b>HIGHWAY 101410</b>	<b>FY16 ACTUALS</b>	<b>FY17 ACTUALS</b>	<b>FY18 ACTUALS</b>	<b>FY19 BUDGET</b>	<b>FY20 PROPOSED</b>	<b>VARIANCE</b>	<b>%</b>
64004 HIGHWAY 35% COMM SALARY	31,053	26,288	26,958	27,961	33,835	5,874	
64010 FULL TIME SALARIES	406,130	402,003	455,825	441,844	502,797	60,953	
64015 ADMINISTRATIVE ASSISTANT	46,122	46,306	47,586	48,682	50,965	2,283	
64020 PART TIME SALARIES	-	-	28,512	51,841	-	(51,841)	
64029 OVERTIME - SNOW & STORMS	27,505	79,403	68,891	75,000	75,000	-	
64030 OVERTIME	2,166	5,469	6,781	6,500	7,200	700	
<b>Total Personal Services</b>	<b>512,975</b>	<b>559,469</b>	<b>634,554</b>	<b>651,828</b>	<b>669,798</b>	<b>17,970</b>	<b>2.8%</b>
65010 POSTAGE	118	400	171	500	500	-	
65020 TELEPHONE & INTERNET	4,500	4,330	4,065	4,200	4,200	-	
65030 TRANSPORTATION	258	508	519	750	750	-	
65040 EDUCATIONAL/MEETING EXPENSES	1,440	1,406	1,243	4,000	4,000	-	
65060 PRINTING	457	481	544	600	600	-	
65080 LEGAL NOTICES/OTHER ADVERTISE	637	1,535	770	1,000	1,000	-	
65200 ELECTRICITY	5,382	6,193	5,851	4,000	4,100	100	
65220 WATER	511	559	1,421	2,300	2,500	200	
65230 FUEL OIL	2,042	2,456	6,659	7,000	7,000	-	
65250 SEWER	300	300	300	350	350	-	
65300 MACHINE & EQUIPMENT MAINT	14,703	15,969	13,283	18,000	18,000	-	
65302 PROTECTIVE & SAFETY EQUIPMENT	1,486	2,215	3,650	3,000	3,000	-	
65303 FACILITY SAFETY INSPECTION EXP	1,906	-	1,245	1,250	1,250	-	
65310 VEHICLE MAINTENANCE	32,807	15,611	17,082	16,000	16,000	-	
65311 GAS, GREASE & OIL	32,085	41,004	42,684	48,600	52,000	3,400	
65312 TIRES & TUBES	6,235	5,928	7,916	8,000	8,000	-	
65450 TARRING & PATCHING	15,768	11,299	10,639	10,000	12,000	2,000	
65452 SALT	91,489	124,256	203,030	140,000	140,000	-	
65454 SAND	144	-	1,680	2,100	2,100	-	
65456 GRAVEL & FILL	4,595	192	-	3,000	3,000	-	
65458 DRAINAGE SUPPLIES	8,271	2,244	6,639	5,000	5,000	-	
65460 SIGNS	8,400	8,662	9,640	10,000	10,000	-	
65462 STRIPING	20,392	24,425	29,055	32,000	38,000	6,000	
65466 SNOW REMOVAL EQUIP/PARTS	18,035	8,452	18,753	18,300	18,500	200	
65480 OTHER PROFESSIONAL SERVICES	6,037	7,461	13,235	25,000	28,000	3,000	
65500 MAINTENANCE OF BLDG/GROUNDS	4,225	1,759	6,065	6,500	6,500	-	
65521 UNIFORMS	3,673	4,800	3,600	4,400	4,400	-	
65522 C.D.L PROGRAMS	453	602	718	850	850	-	
66009 SHOP SUPPLIES	21,827	15,103	13,610	15,000	16,500	1,500	
66010 OFFICE SUPPLIES	731	622	548	800	800	-	
66011 HAND TOOLS	964	91	1,040	600	600	-	
66020 BOOKS/SUBSCRIPTIONS	366	477	497	1,000	1,000	-	
66030 OTHER SUPPLIES	113	39	128	400	400	-	
66040 JANITORIAL SUPPLIES & SERVICES	5,629	7,108	7,371	6,500	7,500	1,000	
67514 PLANT EQUIPMENT	1,597	-	698	1,500	1,500	-	
67518 RENTAL EQUIPMENT	-	2,108	699	3,000	3,000	-	
67520 OPERATING EQUIPMENT	1,294	-	1,368	2,000	2,000	-	
67540 IMPROVEMENTS TO BLDGS/GROUND	188	468	2,163	2,000	2,000	-	
<b>Total Expenses</b>	<b>319,057</b>	<b>319,059</b>	<b>438,581</b>	<b>409,500</b>	<b>426,900</b>	<b>17,400</b>	<b>4.2%</b>
<b>TOTAL HIGHWAY</b>	<b>832,033</b>	<b>878,528</b>	<b>1,073,135</b>	<b>1,061,328</b>	<b>1,096,698</b>	<b>35,370</b>	<b>3.3%</b>

<b>PARKS</b>	<b>FY16</b>	<b>FY17</b>	<b>FY18</b>	<b>FY19</b>	<b>FY20</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	8,872	15,014	7,702	7,989	9,667	1,678	
64010 FULL TIME SALARIES	43,390	43,749	44,660	46,874	49,270	2,396	
64020 PART TIME SALARIES	31,314	30,635	26,686	28,600	43,740	15,140	
64030 OVERTIME	1,143	206	1,129	1,330	1,356	26	
<b>Total Personal Services</b>	<b>84,720</b>	<b>89,603</b>	<b>80,177</b>	<b>84,793</b>	<b>104,034</b>	<b>19,241</b>	<b>22.7%</b>
65040 EDUCATIONAL/MEETING EXPENSES	-	-	-	100	100	-	
65060 PRINTING	-	-	-	100	100	-	
65080 LEGAL NOTICES/OTHER ADVERTISE	428	-	-	150	150	-	
65200 ELECTRICITY	1,077	1,193	1,014	1,500	1,538	38	
65220 WATER	3,305	4,542	3,283	7,200	7,400	200	
65300 MACHINE & EQUIPMENT MAINT	5,202	1,343	1,443	2,000	2,000	-	
65302 PROTECTIVE & SAFETY EQUIPMENT	374	453	233	350	350	-	
65303 FACILITY SAFETY INSPECTION EXP	-	-	241	625	625	-	
65310 VEHICLE MAINTENANCE	1,778	2,977	598	1,000	1,000	-	
65311 GAS, GREASE & OIL	3,111	2,582	2,024	4,000	5,500	1,500	
65312 TIRES & TUBES	259	895	702	1,000	1,000	-	
65457 LOAM & SOD	3,684	354	1,852	3,000	3,000	-	
65480 OTHER PROFESSIONAL SERVICES	14,767	17,247	21,057	25,000	26,000	1,000	
65500 MAINTENANCE OF BLDG/GROUNDS	1,605	677	600	1,000	1,000	-	
65521 UNIFORMS	400	265	400	400	400	-	
66011 HAND TOOLS	217	208	76	150	150	-	
66030 OTHER SUPPLIES	259	81	114	150	150	-	
66040 JANITORIAL SUPPLIES & SERVICES	-	18	-	100	100	-	
67520 OPERATING EQUIPMENT	697	52	1,142	1,000	1,000	-	
<b>Total Expenses</b>	<b>37,162</b>	<b>32,885</b>	<b>34,780</b>	<b>48,825</b>	<b>51,563</b>	<b>2,738</b>	<b>5.6%</b>
<b>TOTAL PARKS</b>	<b>121,882</b>	<b>122,488</b>	<b>114,957</b>	<b>133,618</b>	<b>155,597</b>	<b>21,979</b>	<b>16.4%</b>

<b>FORT FOSTER AND BEACHES</b>	<b>FY16</b>	<b>FY17</b>	<b>FY18</b>	<b>FY19</b>	<b>FY20</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	13,308	22,522	11,553	11,983	14,501	2,518	
64010 FULL TIME SALARIES	46,811	47,180	48,793	50,498	51,518	1,020	
64020 PART TIME SALARIES	19,007	36,461	42,982	54,965	55,916	951	
64030 OVERTIME	1,395	963	1,592	6,765	6,920	155	
<b>Total Personal Services</b>	<b>80,522</b>	<b>107,126</b>	<b>104,920</b>	<b>124,211</b>	<b>128,854</b>	<b>4,643</b>	<b>3.7%</b>
65020 TELEPHONE & INTERNET	377	1,247	1,344	1,400	1,400	-	
65040 EDUCATIONAL/MEETING EXPENSES	160	-	-	100	100	-	
65060 PRINTING	3,164	3,580	3,406	3,500	3,500	-	
65080 LEGAL NOTICES/OTHER ADVERTISE	765	-	-	200	200	-	
65200 ELECTRICITY	-	199	284	500	513	13	
65220 WATER	-	-	-	600	600	-	
65300 MACHINE & EQUIPMENT MAINT	487	597	152	1,500	1,500	-	
65302 PROTECTIVE & SAFETY EQUIPMENT	120	382	626	600	600	-	
65303 FACILITY SAFETY INSPECTION EXP	-	-	419	625	625	-	
65310 VEHICLE MAINTENANCE	2,846	3,439	672	1,000	1,000	-	
65311 GAS, GREASE & OIL	1,303	970	802	4,000	5,500	1,500	
65312 TIRES & TUBES	790	263	700	700	700	-	
65480 OTHER PROFESSIONAL SERVICES	2,550	790	1,440	4,000	4,000	-	
65500 MAINTENANCE OF BLDG/GROUNDS	2,520	1,291	1,837	4,500	4,500	-	
65510 PAINTING	262	74	450	400	400	-	
65521 UNIFORMS	400	400	400	700	700	-	
66011 HAND TOOLS	276	47	180	150	150	-	
66030 OTHER SUPPLIES	394	393	135	900	900	-	
66040 JANITORIAL SUPPLIES & SERVICES	3,165	5,536	3,449	4,500	4,500	-	
67520 OPERATING EQUIPMENT	1,557	-	1,199	1,200	1,200	-	
67575 SEAPOINT BEACH	515	-	-	200	200	-	
<b>Total Expenses</b>	<b>21,651</b>	<b>19,210</b>	<b>17,495</b>	<b>31,275</b>	<b>32,788</b>	<b>1,513</b>	<b>4.8%</b>
<b>TOTAL FORT FOSTER AND BEACHES</b>	<b>102,173</b>	<b>126,335</b>	<b>122,415</b>	<b>155,486</b>	<b>161,642</b>	<b>6,156</b>	<b>4.0%</b>

<b>RESOURCE RECOVERY CENTER</b>	<b>FY16</b>	<b>FY17</b>	<b>FY18</b>	<b>FY19</b>	<b>FY20</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	35,489	60,058	30,809	31,956	38,668	6,712	
64010 FULL TIME SALARIES	114,932	123,483	128,209	171,051	178,149	7,098	
64012 SHORELAND RESOURCE OFFICER	16,121	26,087	-	-	-	-	
64020 PART TIME SALARIES	15,246	14,033	16,949	-	-	-	
64030 OVERTIME	6,378	7,983	4,824	7,000	8,500	1,500	
<b>Total Personal Services</b>	<b>188,166</b>	<b>231,644</b>	<b>180,791</b>	<b>210,007</b>	<b>225,317</b>	<b>15,310</b>	<b>7.3%</b>
65020 TELEPHONE & INTERNET	872	889	918	2,000	2,000	-	
65030 TRANSPORTATION	-	173	-	200	200	-	
65040 EDUCATIONAL/MEETING EXPENSES	-	64	-	1,000	1,000	-	
65060 PRINTING	1,056	1,723	1,717	1,500	1,500	-	
65080 LEGAL NOTICES/OTHER ADVERTISE	1,724	-	-	-	-	-	
65090 ZERO WASTE PROGRAM EXPENSES	-	-	-	2,500	2,500	-	
65200 ELECTRICITY	12,963	14,429	14,056	11,000	11,275	275	
65220 WATER	512	592	641	950	950	-	
65230 FUEL OIL	418	633	1,005	1,230	1,230	-	
65300 MACHINE & EQUIPMENT MAINT	4,051	2,472	3,829	3,500	3,500	-	
65302 PROTECTIVE & SAFETY EQUIPMENT	589	672	1,020	1,000	1,000	-	
65303 FACILITY SAFETY INSPECTION EXPENSES	-	239	881	1,250	1,250	-	
65311 GAS, GREASE & OIL	6,432	7,325	8,558	10,000	12,000	2,000	
65312 TIRES & TUBES	-	-	3,023	3,000	3,000	-	
65480 OTHER PROFESSIONAL SERVICES	254,032	212,167	218,380	250,000	264,500	14,500	
65500 MAINTENANCE OF BLDG/GROUNDS	1,765	674	1,594	8,000	8,000	-	
65521 UNIFORMS	1,600	1,721	2,400	2,000	2,000	-	
66009 SHOP SUPPLIES	2,484	3,383	4,942	6,000	6,000	-	
66010 OFFICE SUPPLIES	330	132	123	250	250	-	
66011 HAND TOOLS	-	-	-	200	200	-	
66030 OTHER SUPPLIES	12	55	45	250	250	-	
66040 JANITORIAL SUPPLIES & SERVICES	417	1,202	1,335	1,400	1,400	-	
67516 PLANT EQUIPMENT MAINTENANCE	5,696	1,904	2,592	10,500	12,500	2,000	
67553 ASPHALT SURFACE MAINTENANCE	-	-	-	7,500	7,500	-	
<b>Total Expenses</b>	<b>294,953</b>	<b>250,447</b>	<b>267,056</b>	<b>325,230</b>	<b>344,005</b>	<b>18,775</b>	<b>5.8%</b>
<b>TOTAL RESOURCE RECOVERY CENTER</b>	<b>483,118</b>	<b>482,091</b>	<b>447,847</b>	<b>535,237</b>	<b>569,322</b>	<b>34,085</b>	<b>6.4%</b>

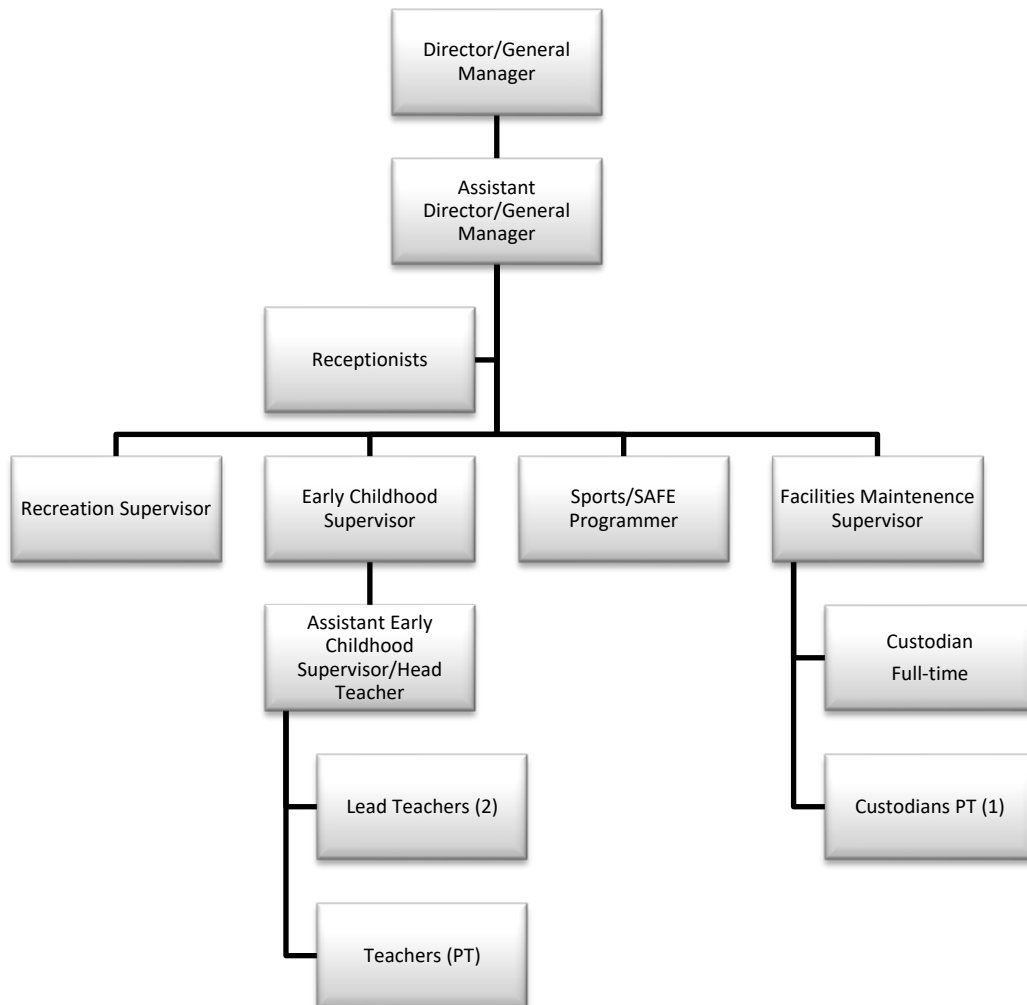
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**KITTERY COMMUNITY CENTER**

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**MISSION STATEMENT**

The Kittery 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>FY19 Budget</b>	<b>FY20 Proposed</b>
Director	1	1
Assistant Director	1	1
Recreation Supervisor	1	1
Sports/SAFE Programmer	1	1
Early Childcare Supervisor	1	1
Assistant Early Childcare Supervisor/Lead Teacher	1	1
Lead Teacher	2	2
Facilities Maintenance Supervisor	1	1
Head Custodian	0	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 Kittery Community Center budget is projected to increase \$29,801, approximately 2.8%.

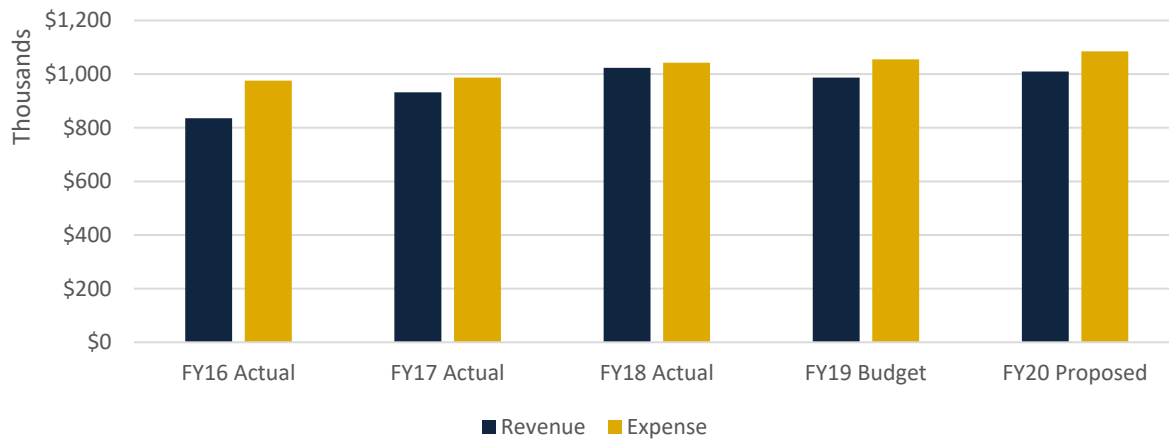
The preschool program is reducing the number of classrooms for FY20, while maintaining the current staff model. An additional classroom was added to the preschool program in FY18. The added classroom placed a strain on the operation and the staff. Recent turnover in the Supervisor role has resulted in changes in the staff model and improvements in the overall operation. However, to ensure the core program is solid, the additional classroom is being discontinued for now. The coming year will be used to evaluate whether reintroducing the additional classroom is possible without losing the high-quality instruction and child experience of the program.

The town has found that expenses for instructors for fitness, arts, and other programs, have been inconsistently classified. Some instructors were classified as stipend employees and others as independent contractors. The instructors have all been transitioned to independent contractors for FY20. The Instructors Stipends line has been zeroed out, with the costs of these instructors being moved to Instructors-Contracted. Instructor costs are increasing to reflect the quantity and costs of instructors.

Transportation costs in FY20 will be increasing. Following a traumatic van crash in August of 2019, the town decided it would no longer utilize town staff to transport program participants to offsite events. Transportation is now being provided by coach and bus companies. This change impacts senior programs, trips, and the summer camps. The town is liquidating the transport vans.

The FY20 budget consolidates costs (wages and expenses) for the two summer camp programs. The camps operate in tandem often taking the same trips and participating in the same activities. Showing the costs split was an administrative exercise that did not produce actionable information. The KCC team has developed a number of improvements for the FY20 summer camps including organizing the children into three smaller groups, capping the number of enrollees to better plan for staffing needs, and having all transportation outsourced to a bus company. Overall costs for the summer program are increasing \$13,782.

### Recreation Department Revenues and Expenses\*



\* - excludes capital expenditures

<b>RECREATION</b>		<b>FY16</b>	<b>FY17</b>	<b>FY18</b>	<b>FY19</b>	<b>FY20</b>		
<b>101830</b>		<b>ACTUALS</b>	<b>ACTUALS</b>	<b>ACTUALS</b>	<b>BUDGET</b>	<b>PROPOSED</b>	<b>VARIANCE</b>	<b>%</b>
64008 RECREATION DIRECTOR SALARY		77,996	78,521	80,683	78,758	81,172	2,414	
64009 ASST DIRECTOR/GEN MGR		56,668	57,709	59,345	58,417	59,000	583	
64010 EARLY CHILDHOOD SUPERVISOR		38,831	38,809	42,075	43,595	42,920	(675)	
64012 RECREATION SUPERVISOR		44,310	44,892	45,805	46,833	46,049	(784)	
64041 FACILITIES MAINT. SUPERVISOR		-	-	22,665	51,067	52,215	1,148	
64013 ASST EARLY CHILDCARE SUPER		33,045	33,102	33,766	35,219	36,019	800	
64014 LEAD TEACHERS		56,154	57,389	52,340	59,908	61,833	1,925	
64015 SAFE/SPORTS COORDINATOR		34,378	35,001	35,825	36,640	37,467	827	
64016 RECEPTIONISTS		48,586	49,589	49,805	50,261	54,911	4,650	
64017 BOOKKEEPER/SECRETARY		19,009	19,926	20,172	21,628	22,277	649	
64020 PT SAFE SCHOOL YEAR SALARIES		24,929	15,211	24,293	21,000	23,872	2,872	
64021 SAFE SUMMER SALARIES		28,964	31,341	29,605	33,822	62,958	29,136	
64023 ADVENTURE SUMMER STAFF		11,152	10,663	10,690	15,354	-	(15,354)	
64024 FT CUSTODIAN		77,169	78,899	59,588	36,640	37,467	827	
64025 PRE-SCHOOL STAFF SALARIES		84,291	94,162	123,701	125,000	132,294	7,294	
64026 INSTRUCTORS STIPENDS		24,040	21,165	30,865	21,500	-	(21,500)	
64027 PT CUSTODIAN WAGES		31,993	30,270	26,759	32,189	32,929	740	
64028 THEATRE TECHNICIANS		840	130	213	500	500	-	
64030 OVERTIME		5,228	7,122	6,941	8,000	6,000	(2,000)	
<b>Total Personal Services</b>		<b>697,581</b>	<b>703,901</b>	<b>755,136</b>	<b>776,331</b>	<b>789,882</b>	<b>13,551</b>	<b>1.7%</b>
65010 POSTAGE		1,717	1,418	1,561	1,500	1,500	-	
65020 TELEPHONE & INTERNET		5,168	4,457	4,678	5,000	3,300	(1,700)	
65030 TRANSPORTATION		937	2,850	987	3,500	5,400	1,900	
65060 PRINTING		7,423	7,565	8,196	7,800	8,500	700	
65080 LEGAL NOTICES/OTHER ADVERTISE		1,221	127	175	-	-	-	
65200 ELECTRICITY / UTILITIES		41,813	46,240	40,195	44,000	42,000	(2,000)	
65220 WATER		2,999	3,245	3,322	3,342	3,342	-	
65230 NATURAL GAS		27,946	32,888	39,187	35,000	34,000	(1,000)	
65250 SEWER		2,187	2,089	2,300	2,300	2,300	-	
65300 MACHINE & EQUIPMENT MAINT		4,810	1,801	3,372	6,000	3,500	(2,500)	
65310 VEHICLE MAINTENANCE		1,138	1,788	490	1,000	250	(750)	
65478 PROGRAM SERVICES		5,885	1,581	7,370	4,000	2,500	(1,500)	
65480 OTHER PROFESSIONAL SERVICES		-	625	625	2,500	1,500	(1,000)	
65500 MAINTENANCE OF BLDG/GROUNDS		29,245	7,676	17,597	13,000	13,000	-	
65521 UNIFORMS		-	-	693	-	-	-	
65610 SAFE SCHCOOL YEAR PROGRAM EX		2,362	3,586	4,389	3,500	3,500	-	
65615 SAFE SUMMER PROGRAM EXPENSE		14,922	22,093	20,105	19,000	38,000	19,000	
65620 ADVENTURE ADOLESCENT CAMP		12,956	17,210	20,947	19,000	-	(19,000)	
65630 INSTRUCTORS-CONTRACTED		4,727	2,709	1,449	2,800	25,500	22,700	
65640 SPECIAL EVENTS		8,395	8,902	7,949	9,500	8,500	(1,000)	
65650 SENIOR PROGRAMS		5,597	3,927	10,947	7,000	6,000	(1,000)	
65670 TEAM EXPENSE		6,905	7,249	7,940	7,000	8,000	1,000	
65680 PRESCHOOL PROGRAM EXPENSES		14,637	12,537	10,393	8,500	8,000	(500)	
65801 CONTRACTED SERVICES		32,097	52,394	42,226	39,800	46,200	6,400	
65802 ANNEX UTILITIES		8,529	3,032	2,263	4,000	2,500	(1,500)	
65803 MISCELLANEOUS		12,189	15,010	7,572	9,000	7,500	(1,500)	
66010 OFFICE SUPPLIES		3,433	2,615	2,569	3,000	3,000	-	
66030 OTHER SUPPLIES		9,366	3,478	4,441	4,000	3,500	(500)	
66031 THEATRE SUPPLIES		-	1,024	468	1,000	1,000	-	
66040 JANITORIAL SUPPLIES & SERVICES		9,653	13,071	12,775	12,500	12,500	-	
<b>Total Expenses</b>		<b>278,258</b>	<b>283,186</b>	<b>287,181</b>	<b>278,542</b>	<b>294,792</b>	<b>16,250</b>	<b>5.8%</b>
<b>TOTAL RECREATION</b>		<b>975,839</b>	<b>987,087</b>	<b>1,042,317</b>	<b>1,054,873</b>	<b>1,084,674</b>	<b>29,801</b>	<b>2.8%</b>

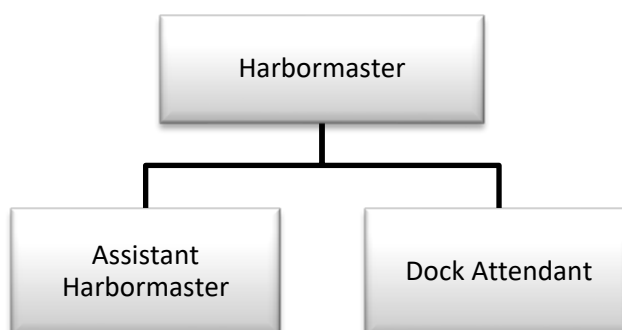


## HARBORMASTER

### 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	FY19 Budget	FY20 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 increase \$11,624, approximately 12.2%.

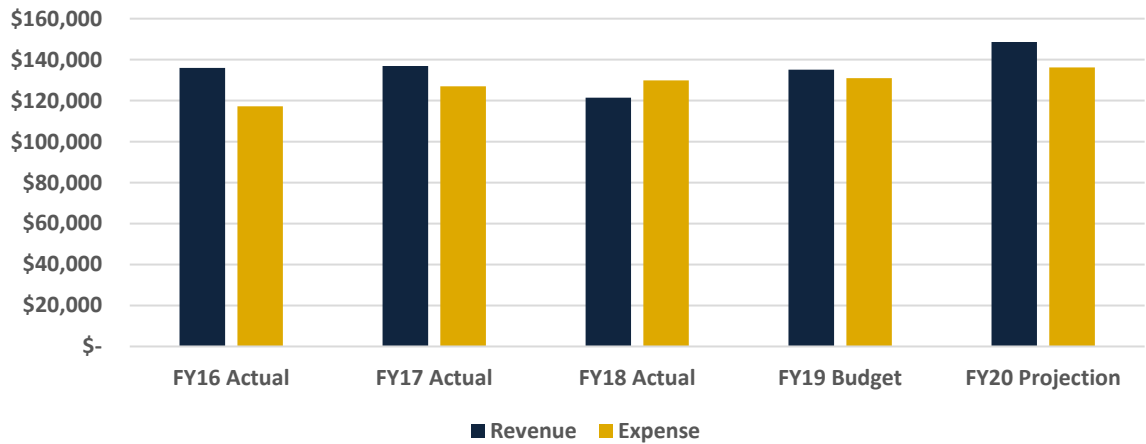
The Harbormaster position was vacant when the prior year's budget was finalized. The actual hiring rate of the Harbormaster was higher than projected. The resulting increase is \$5,424, which includes both actual wages and the annual anticipated cost of living adjustment.

Boat equipment and maintenance is increasing \$1,750 to reflect deferred and annual maintenance on the Harbormaster boats. This includes annual servicing of the engines and minor repairs.

Maintenance of building, grounds and wharves is projected to increase \$3,000 to cover annual ongoing maintenance needs of the facilities including the piers, Harbormaster shed,

and transient facilities. These costs do not qualify for capital funds under the town’s capital policy.

**Harbormaster Revenues and Expenses\***



*\* - excludes capital expenditures*

**HARBORMASTER - KPA**

<b>101840</b>	<b>FY16 ACTUALS</b>	<b>FY17 ACTUALS</b>	<b>FY18 ACTUALS</b>	<b>FY19 BUDGET</b>	<b>FY20 PROPOSED</b>	<b>VARIANCE</b>	<b>%</b>
64010 HARBOR MASTER FULL TIME SALARIES	51,044	50,654	47,030	52,000	57,424	5,424	
64020 PART TIME SALARIES	15,716	10,903	9,542	14,000	14,100	100	
64030 OVERTIME	-	492	-	-	-	-	
<b>Total Personal Services</b>	<b>66,760</b>	<b>62,049</b>	<b>56,573</b>	<b>66,000</b>	<b>71,524</b>	<b>5,524</b>	<b>8.4%</b>
65010 POSTAGE	135	206	8	100	500	400	
65020 TELEPHONE & INTERNET	863	864	1,181	1,100	1,100	-	
65030 TRANSPORTATION	365	565	-	500	500	-	
65080 LEGAL NOTICES/OTHER ADVERTISE	-	420	127	-	-	-	
65200 ELECTRICITY	1,426	1,338	1,509	1,500	1,800	300	
65220 WATER	269	214	284	600	600	-	
65240 DUMPSTERS/TRASH REMOVAL	814	711	865	1,300	1,000	(300)	
65250 SEWER	1,785	2,270	-	-	300	300	
65305 BOAT EQUIPMENT MAINTENANCE	1,223	1,414	1,314	750	2,500	1,750	
65311 GAS, GREASE & OIL	583	992	807	750	1,000	250	
65452 SAFETY	130	829	473	1,000	1,000	-	
65460 SIGNS	104	558	488	500	500	-	
65462 RIGGING	7,681	5,591	8,784	9,600	10,000	400	
65463 SANITATION	465	367	1,945	3,900	3,500	(400)	
65469 SECURITY	83	-	-	-	-	-	
65470 PROFESSIONAL DEVELOPMENT	875	466	971	550	550	-	
65480 OTHER PROFESSIONAL/CONTRACTED	1,092	2,690	816	2,500	2,500	-	
65500 MAIN BLDG/GROUNDS WHARVES/HARBOR	991	2,570	3,089	3,000	6,000	3,000	
65521 UNIFORMS	59	298	534	500	1,000	500	
65550 PUBLIC OFFICIALS LIABILITY INS	2,575	2,627	1,530	-	-	-	
65551 MARINE OPERATORS LIAB INS	5,385	5,911	5,785	-	-	-	
66010 OFFICE SUPPLIES	578	849	130	500	500	-	
66040 JANITORIAL SUPPLIES & SERVICES	425	248	161	300	200	(100)	
<b>Total Personal Services</b>	<b>27,903</b>	<b>31,996</b>	<b>30,799</b>	<b>28,950</b>	<b>35,050</b>	<b>6,100</b>	<b>21.1%</b>
<b>TOTAL HARBORMASTER</b>	<b>94,663</b>	<b>94,045</b>	<b>87,371</b>	<b>94,950</b>	<b>106,574</b>	<b>11,624</b>	<b>12.2%</b>

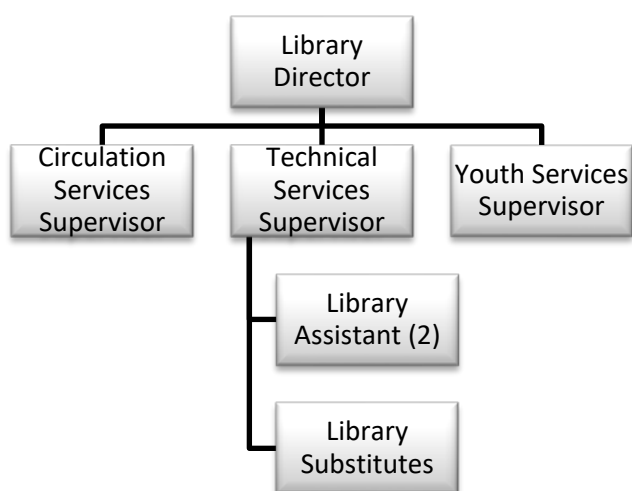
## RICE PUBLIC LIBRARY

### 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 Library will become a department of the Town effective July 1, 2019. The Library Board of Directors will transition its focus to fundraising. Funds raised will support the proposed renovation and expansion of the Rice Library Building, Library programs, collection management and special projects.

### DEPARTMENT ORGANIZATION



### PERSONNEL SUMMARY

POSITION	FY19 Budget	FY20 Proposed
Library Director	1	1
Circulation Services Supervisor	1	1
Youth Librarian Supervisor	1	1
Technical Services Supervisor	1	1
Cataloguing Assistant/Custodian	1	1
Library Services Assistant	.50	1
Substitutes (PT)	Varies	Varies
<b>Total FTE</b>	<b>5.5</b>	<b>6.0</b>

**BUDGET OVERVIEW**

The Library is transitioning to a Town department at the start of this fiscal year. The FY20 budget reflects the operations of the department. Non-discretionary employment costs such as FICA, health insurance, and retirement contributions are incorporated into the town's Shared Expenses budget for FY20.

A Cost of Living increase for the full-time positions, which are anticipated to be union positions, has been incorporated into the budget. The Library Board of Directors awarded the Library Director an annual increase early in calendar year 2019, making this position ineligible for the department head increase at the start of the fiscal year.

The Building Cleaning line represented the wage costs for an existing staff member tasked with performing custodial services. The employee will still be performing this service, with the wages incorporated into the personnel section of the budget.

The total net increase in wages is \$5,839.

The Library will no longer need separate liability insurances, 401K retirement management costs, professional services for payroll processing, and bookkeeping services. The tasks associated with these functions will be performed by town administration and finance staff. The FY20 expenses have been reduced by \$15,700 to reflect these efficiencies.

The Library Board of Directors has retained their 501c3 status and plan to continue as a fundraising entity to benefit the Library. The Board's costs for their annual appeal fundraising effort, including postage and printing, can no longer be paid for in the Library operating budget. Postage and printing have been reduced by \$2,500 to reflect the elimination of the annual appeal costs.

RICE PUBLIC LIBRARY 101810		FY16 ACTUALS	FY17 ACTUALS	FY18 ACTUALS	FY19 BUDGET	FY20 PROPOSED	VARIANCE	%
NEW	Library Director					80,126		
NEW	Library Full Time					179,214		
NEW	Library Part Time					10,140		
NEW	Other Personnel Costs	284,071	296,934	299,902	314,368	-		
	<b>Total Personal Services</b>	<b>284,071</b>	<b>296,934</b>	<b>299,902</b>	<b>314,368</b>	<b>269,481</b>	<b>(44,887)</b>	<b>-14.3%</b>
NEW	Books, Magazines, Newspapers	52,270	54,513	58,410	48,543	49,999	1,456	
NEW	E-Books	1,481	2,235	2,151	2,000	2,060	60	
NEW	Audiovisual/DVD	16,950	14,812	15,915	14,000	14,420	420	
NEW	Copier Expense	2,846	2,995	3,037	2,500	3,000	500	
NEW	Insurance (Gen'l & Workers' Comp)	9,379	8,108	7,705	9,000	-	(9,000)	
NEW	Building Cleaning	15,525	16,908	15,533	15,000	-	(15,000)	
NEW	Building Repairs and Maintenance	8,240	12,306	13,657	13,000	13,000	-	
NEW	Grounds Maintenance	4,144	8,726	5,408	6,000	6,000	-	
NEW	Telephone	1,249	1,171	1,165	1,200	1,200	-	
NEW	Electricity (Rice & Taylor)	6,490	6,756	5,893	7,000	7,175	175	
NEW	Heating Expense (Rice & Taylor)	7,167	7,098	9,183	7,950	9,500	1,550	
NEW	Water & Sewer	951	998	1,733	1,600	1,800	200	
NEW	Office Supplies	1,455	2,684	2,591	2,000	2,500	500	
NEW	Postage	2,429	2,149	2,849	2,250	1,250	(1,000)	
NEW	Office Equipment/Small Furniture	2,329	2,448	3,690	2,500	3,500	1,000	
NEW	Professional Dues	964	1,038	1,011	1,000	1,000	-	
NEW	Printing Expense	4,617	3,996	2,054	2,500	1,000	(1,500)	
NEW	Technology	9,501	11,809	10,344	11,300	11,639	339	
NEW	Library Programs	16,468	16,538	17,198	16,000	16,480	480	
NEW	Delivery Service	768	600	1,408	1,560	1,560	-	
NEW	401K & Payroll Service Fees	3,600	4,974	4,783	5,000	-	(5,000)	
NEW	Conferences & Workshops	347	393	169	300	200	(100)	
NEW	Professional Services (PR)	-	1,051	1,592	1,200	-	(1,200)	
NEW	Bookkeeping, Bank & Audit Charges	9,051	8,967	8,335	9,500	-	(9,500)	
NEW	Miscellaneous	2,789	2,013	1,944	1,650	1,650	-	
	OFFSETTING REVENUE	(16,669)	(43,808)	(30,280)	(20,020)	-	20,020	
	<b>Total Expenses</b>	<b>164,341</b>	<b>151,478</b>	<b>167,478</b>	<b>164,533</b>	<b>148,933</b>	<b>(15,600)</b>	<b>-9.5%</b>
	<b>TOTAL LIBRARY</b>	<b>448,412</b>	<b>448,412</b>	<b>467,380</b>	<b>478,901</b>	<b>418,414</b>	<b>(60,487)</b>	<b>-12.6%</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 remaining flat for FY20. The agencies receiving continued funding 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 in maintaining planted medians and park areas. The town is also seeking to provide additional support to the Southern Maine Veterans Memorial Cemetery in recognition of the strong connection Kittery has to military service.

Funding for York County Shelters was eliminated, as records have shown this organization has not sought a disbursement since FY16, despite being funded each year.

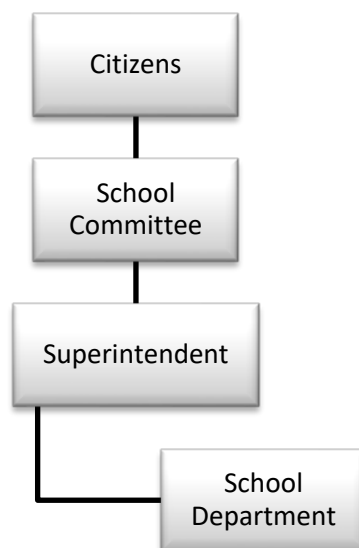
COMMUNITY AGENCIES 101540	FY16 ACTUALS	FY17 ACTUALS	FY18 ACTUALS	FY19 BUDGET	FY20 PROPOSED	VARIANCE	%
65468 KIDS FREE TO GROW	-	-	-	-	-	-	
65479 FAIR TIDE	1,000	1,500	1,600	1,600	1,800	200	
65482 AIDS RESPONSE SEACOAST	965	965	965	965	965	-	
65483 AMERICAN RED CROSS	-	500	500	-	-	-	
65487 CARING UNLIMITED	965	965	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	-	-	-	-	
65496 YORK COUNTY SHELTERS	500	-	-	500	-	(500)	
65497 SO MAINE AREA AGENCY ON AGING	1,300	1,300	1,300	1,300	1,400	100	
65499 CROSSROADS HOUSE	2,000	2,000	2,000	2,000	2,000	-	
65526 GARDEN CLUB	-	-	-	300	300	-	
65527 MAINE PUBLIC	-	-	-	-	-	-	
65528 SO MAINE VETERANS MEMORIAL CEMETERY	-	-	1,000	-	200	200	
<b>TOTAL COMMUNITY AGENCIES</b>	<b>11,230</b>	<b>11,730</b>	<b>10,865</b>	<b>9,165</b>	<b>9,165</b>	<b>-</b>	<b>0%</b>

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## SCHOOL DEPARTMENT

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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 \$689,273 increase in spending; of which \$502,032 will be funded by the property tax levy. This represents a 3.3% increase in the property-tax supported funds for the School Department.



SCHOOL DEPARTMENT	FY16 BUDGET	FY17 BUDGET	FY18 BUDGET	FY19 BUDGET	FY20 PROPOSED	VARIANCE	%
REGULAR INSTRUCTION	6,145,815	6,387,857	6,570,215	6,849,500	7,058,123	208,623	
SPECIAL EDUCATION	2,751,901	3,258,062	3,552,580	3,569,011	4,008,389	439,378	
CAREER & TECHNICAL	6,380	5,826	5,048	5,152	5,000	(152)	
OTHER INSTRUCTION	314,853	319,082	340,080	344,553	341,031	(3,522)	
STUDENT & STAFF SUPPORT	1,597,277	1,617,251	1,712,412	1,800,673	1,971,077	170,404	
SYSTEM ADMINISTRATION	520,658	562,964	536,539	609,767	626,135	16,368	
SCHOOL ADMINISTRATION	968,913	1,087,564	1,124,149	1,094,450	1,050,948	(43,502)	
TRANSPORTATION & BUSES	540,373	572,920	541,769	654,589	609,034	(45,555)	
FACILITIES MAINTENANCE	1,456,822	1,480,416	1,361,914	1,383,566	1,369,517	(14,049)	
DEBT SERVICE & OTHER COMMITMENTS	1,088,368	825,703	815,103	802,769	789,150	(13,619)	
ALL OTHER EXPENDITURES	70,000	80,200	115,200	115,200	90,100	(25,100)	
<b>TOTAL SCHOOL EXPENSES</b>	<b>15,461,360</b>	<b>16,197,845</b>	<b>16,675,009</b>	<b>17,229,230</b>	<b>17,918,503</b>	<b>689,273</b>	<b>4.00%</b>
<b>TOTAL SCHOOL REVENUE</b>	<b>1,406,785</b>	<b>1,734,804</b>	<b>1,927,605</b>	<b>2,002,713</b>	<b>2,189,954</b>	<b>187,241</b>	<b>9.35%</b>
<b>TOTAL TAX APPROPRIATION</b>	<b>14,054,575</b>	<b>14,463,041</b>	<b>14,747,404</b>	<b>15,226,517</b>	<b>15,728,549</b>	<b>502,032</b>	<b>3.30%</b>

## 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

### BUDGET HIGHLIGHTS

The town's projected contribution to this department is increasing from \$86,765 to \$98,970. The program is adding a part-time Workforce Training coordinator to work with various state agencies, local businesses, the town, and School Department to develop and grow a vibrant Apprenticeship program in Kittery.

This effort was the result of the town approaching the Adult Education Director about training and support services for Sewer staff interested in attaining a higher level of waste-water certifications. The higher-level certifications allow staff to advance their careers in the waste-water service and be eligible for promotion. Each level of certification requires the employee pass a technical test. Many adult learners struggle with written tests, and test preparation, holding them back from career advancement in their field.

The Workforce Training coordinator will work with local employers, including the town, to develop apprenticeship opportunities, certification/test preparation and support, and other career development that supports skilled labor and those interested in careers in the technical trades.

REVENUE	FY18 BUDGET	FY19 BUDGET	FY20 BUDGET	VARIANCE	%
State Subsidy	37,865	37,770	41,001	3,231	
Carry Forward - Adult Ed	22,944	26,136	24,563	(1,573)	
Enrichment Fees	32,950	27,872	30,203	2,331	
<b>Local Funds</b>	<b>80,590</b>	<b>86,765</b>	<b>98,970</b>	<b>12,205</b>	<b>14.1%</b>
Fees from Other Schools	-	-	500	500	
Donations from Private Sources	2,200	2,200	-	(2,200)	
Private Grants	-	-	2,200	2,200	
<b>TOTAL ADULT EDUCATION REVENUE</b>	<b>\$ 176,549</b>	<b>\$ 180,743</b>	<b>\$ 197,437</b>	<b>\$ 16,694</b>	<b>9.2%</b>
<b>EXPENSES</b>					
<b><i>Workforce Training</i></b>					
Salaries - Professionals	1,300	1,300	9,120	7,820	
Salaries - Other	12,000	1,000	1,000	-	
FICA - Professionals	99	19	219	200	
FICA - OTHER	918	77	77	-	
Retirement - Professionals	52	52	2,906	2,854	
Work Comp - Professionals	7	7	39	32	
Work Comp - Reg EEs	65	5	5	-	
Contracted Services (ACCPAdvisor)	-	14,888	15,186	298	
Supplies - Instructional	100	100	100	-	
Books - Workforce	100	100	1,000	900	
<b>Total Workforce Training</b>	<b>14,641</b>	<b>17,546</b>	<b>29,651</b>	<b>12,105</b>	<b>69.0%</b>
<b><i>High School Completion</i></b>					
Salaries - Professionals	7,920	7,920	7,920	-	
Salaries - Other	9,697	-	-	-	
FICA - Professionals	115	115	300	185	
FICA - Other Employees	742	-	-	-	
Retirement - Professionals	314	314	300	(14)	
Work Comp - Professionals	43	40	43	3	
Work Comp -Other	52	-	-	-	
Contracted Services (ACCPAdvisor)	-	13,097	13,359	262	
Instructional Supplies	870	870	870	-	
<b>Total High School Completion</b>	<b>19,753</b>	<b>22,356</b>	<b>22,792</b>	<b>436</b>	<b>2.0%</b>
<b><i>Local Literacy</i></b>					
Salaries - Professionals	1,000	1,000	2,000	1,000	
FICA - Professionals	15	15	30	16	
Retirement - Professionals	40	40	80	40	
Work Comp - Professionals	5	5	10	5	
Instructional Supplies		100	100	-	
<b>Total Local Literacy</b>	<b>1,060</b>	<b>1,159</b>	<b>2,220</b>	<b>1,061</b>	<b>91.5%</b>

	FY18	FY19	FY20		
<i>Enrichment</i>	BUDGET	BUDGET	BUDGET	VARIANCE	%
Salaries - Enrichment	6,000	6,000	6,000	-	
FICA - Enrichment	459	459	459	-	
Retirement - Enrichment	-	-	50	50	
Work Comp - Enrichment	33	30	30	-	
Prof Services - Adult Ed	14,000	8,905	8,905	-	
<b>Total Enrichment</b>	<b>20,492</b>	<b>15,394</b>	<b>15,444</b>	<b>50</b>	<b>0.3%</b>
<i>Administration</i>					
Asst. Director Salaries	49,437	50,673	51,686	1,013	
Clerical Salaries	5,932	6,081	6,203	122	
(Assist) Director Health Benefit	8,185	8,716	9,413	697	
FICA - Admin	717	735	750	15	
FICA - Clerical	454	465	496	31	
Retirement - Asst Director	1,963	2,012	2,068	56	
Tuition - Admin	1,000	1,000	1,000	-	
Work Comp - Admin	267	253	258	5	
Work Comp - Reg EE	11	30	31	1	
EE Train & Develop	200	200	200	-	
Professional Services (Director)	37,265	38,922	39,700	778	
Copier Service Agreement	165	193	200	7	
Copier Lease	200	200	200	-	
Postage	1,350	1,350	1,500	150	
Telephone	400	400	400	-	
Online Software Apps	300	300	300	-	
Advertising	2,500	2,500	4,000	1,500	
Printing	2,332	2,332	850	(1,482)	
Travel - Reg	500	500	500	-	
Travel - Professional Dev	550	550	550	-	
Supplies	700	700	700	-	
Food- Adult Ed Admin	200	200	200	-	
Tech Supplies	250	250	300	50	
Supplies - Graduation	225	225	325	100	
Tech Equipment >\$5K	-	-	-	-	
Tech Equipment <\$5K	1,000	1,000	1,000	-	
Tech Hardware <\$5K	2,000	2,000	2,000	-	
Dues and Fees	2,500	2,500	2,500	-	
<b>Total Administration</b>	<b>120,603</b>	<b>124,287</b>	<b>127,330</b>	<b>3,043</b>	<b>2.4%</b>
<b>TOTAL ADULT EDUCATION EXPENSES</b>	<b>\$ 176,549</b>	<b>\$ 180,743</b>	<b>\$ 197,437</b>	<b>\$ 16,694</b>	<b>9.2%</b>

# Section III

## Sewer Enterprise



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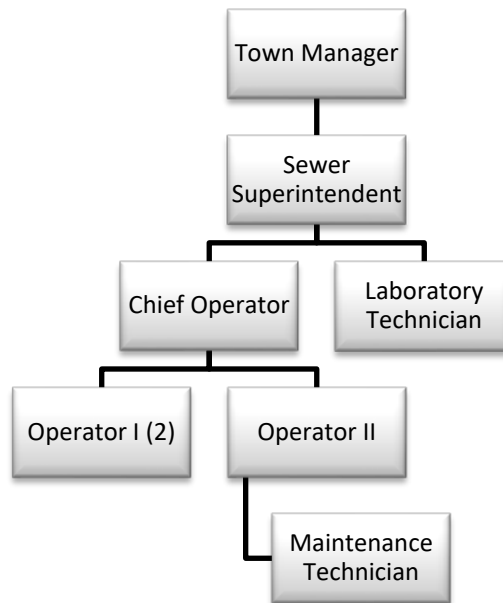
## SEWER ENTERPRISE

### 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 to support the sewer operation with the revenues directly applied to department expenses.

### DEPARTMENT ORGANIZATION



### PERSONNEL SUMMARY

POSITION	FY19 Budget	FY20 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 embarked on a five-year plan designed to ensure revenues meet annual operating and capital needs, and reestablish an appropriate reserve balance for the fund. The plan also included paying down a deficit balance resulting from the general fund providing cash flow for the enterprise.

A key part of the plan was the Town Council's vote to increase sewer rates in FY19. The increased revenue is projected to generate sufficient funds to pay operating and debt service each year, while beginning to build an operating reserve for unanticipated costs.

The Sewer Enterprise has approximately \$1.23M in reserves from entrance and impact fees, grants, and capital reserve funding. This is offset by a deficit of approximately \$828,000 to the general fund, that has been growing since 2016. Repayment to the general fund will be phased over two years (FY19 and FY20). The phasing will allow the Enterprise to maintain at least \$500,000 in capital reserves year over year.

A recently-approved development project on Route 1 is expected to generate approximately \$190,000 in Entrance and Impact fees in FY20. The anticipated fee revenue reduces the need to allocation capital reserve funding in FY20. Without the capital reserve allocation, the sewer operations are projected to generate a small surplus in FY20, reversing a multi-year trend. The surplus, if achieved, will begin to build an operating reserve for the enterprise fund in accordance with the five-year plan.

Revenue is projected to increase 388,498, approximately 18% over the prior projection. To note, the prior year projection did not include consideration of the rate increase.

The budget is expected to decrease \$147,682, approximately 5.7%. The reduction reflects the forgoing of a \$200,000 capital reserve allocation (as noted above).

Wage increases reflect contractual cost of living increases. The town hired a new Superintendent following the retirement of Mr. Kathios in February of 2019. The salary was increased to reflect the market salary rate for a position that is presently in high demand in the New England area.

In the prior year the administrative/financial support for the department was recalibrated to reflect the realistic work assignments of two staff members. In that recalibration the part-time employee costs for a billing clerk were moved to the department, while the full-time employee costs were assigned to the general fund. This allowed for a more accurate assessment of the department needs compared to the general fund finance needs. The assessment revealed a full-time role in sewer is presently needed to support the department. The Office Clerk salary reflects the full-time role.

The pump station budgets have been collapsed to reduce unnecessary paperwork and in-actionable tracking of costs. The only exceptions are the two billable pump-stations (6 – Portsmouth Naval Shipyard, and 7- Eliot), which will retain detailed budget lines. These two stations are billed for differently and require detailed cost accounting for each.



	FY16	FY17	FY18	FY19	FY20		
SEWER REVENUE	ACTUALS	ACTUALS	ACTUALS	BUDGET*	PROPOSED	VARIANCE	%
43210 SEWER LIEN FEES	3,666	-	-	-	-	-	
43220 PENALTY INTEREST	12,137	4,847	3,702	-	3,000	3,000	
45001 REVENUE US NAVY	491,049	531,952	528,533	580,695	585,000	4,305	
45002 REVENUE US NAVY HOUSING	88,690	91,033	91,441	93,590	123,000	29,410	
45003 REVENUE OTHER	15,285	25,340	35,023	25,000	45,000	20,000	
45004 REVENUE TOWN OF ELIOT	184,297	221,944	202,933	177,138	208,000	30,862	
45005 REVENUE NEW SEWER	1,162,405	1,177,382	1,232,751	1,187,079	1,500,000	312,921	
45006 EXPANSION ASSESSMENT REVENUE	-	318,599	50,535	77,000	50,000	(27,000)	
45007 SEWER INTEREST REVENUE	626	7,271	20,636	-	15,000	15,000	
45008 UNBILLED REVENUE SEWER	-	-	-	-			
<b>SEWER REVENUE</b>	<b>1,958,154</b>	<b>2,378,368</b>	<b>2,165,555</b>	<b>2,140,502</b>	<b>2,529,000</b>	<b>388,498</b>	<b>18.1%</b>
<b>EXPENSES</b>	<b>1,898,265</b>	<b>2,514,978</b>	<b>2,409,848</b>	<b>2,589,501</b>	<b>2,441,819</b>	<b>(147,682)</b>	<b>-5.7%</b>
<b>NET</b>	<b>59,889</b>	<b>(136,610)</b>	<b>(244,293)</b>	<b>(448,999)</b>	<b>87,181</b>		

\* Revenue does not include rate increases.

**SEWER ENTERPRISE FUND**

	<b>FY16 ACTUALS</b>	<b>FY17 ACTUALS</b>	<b>FY18 ACTUALS</b>	<b>FY19 BUDGET</b>	<b>FY20 PROPOSED</b>	<b>VARIANCE</b>	<b>%</b>
<b>602760 GENERAL OPERATIONS</b>							
64011 TOWN MANAGER SALARY	26,692	19,094	29,578	30,970	33,568	2,598	
64012 SUPERINTENDENT SALARY	80,296	83,166	90,517	88,557	95,000	6,443	
64013 OFFICE CLERK SALARY	45,225	45,658	46,602	26,032	48,728	22,696	
64031 SALARY & POSITION ADJUSTMENT	-	-	-	5,000	5,000	-	
64050 MAINE STATE RETIREMENT	43,916	46,106	46,707	42,531	48,896	6,365	
64051 ICMA EMPLOYER SHARE	1,608	880	1,760	4,182	4,327	145	
64060 FICA EMPLOYER SHARE	38,329	38,039	37,700	31,194	43,270	12,076	
64070 WORKERS COMPENSATION	14,277	17,701	17,306	20,237	16,000	(4,237)	
64090 MAJOR MEDICAL INSURANCE	143,329	143,948	147,176	124,345	124,575	230	
64091 DENTAL INSURANCE	1,036	1,147	1,231	1,495	1,869	374	
64092 DISABILTY INSURANCE	3,555	3,444	3,555	4,200	4,200	-	
65101 MMA RISK POOL	19,014	22,521	25,226	26,740	29,000	2,260	
65350 SWEET END RENT	22,900	22,900	22,900	22,900	22,900	-	
65430 AUDIT SERVICES	3,361	2,300	3,900	3,900	3,900	-	
65480 OTHER PROFESSIONAL SERVICES	30	-	24,900	-	-	-	
66035 ABSTRACTS & LIENS - SWR	-	-	426	-	500	500	
68060 DEBT SERVICE (PRINCIPAL & INTEREST)	267,558	845,175	769,211	769,024	767,499	(1,525)	
68061 INTEREST EXP - SEWER BANS	17,947	-	-	-	-	-	
NEW CAPITAL EXPENSES	-	-	-	200,000	-	(200,000)	
<b>TOTAL GENERAL OPERATIONS</b>	<b>729,072</b>	<b>1,292,079</b>	<b>1,268,695</b>	<b>1,401,307</b>	<b>1,249,232</b>	<b>(152,075)</b>	<b>-10.9%</b>
<b>602750 TREATMENT PLANT</b>							
64010 TREATMENT PLANT LABOR	165,381	210,485	153,563	171,982	175,000	3,018	
64019 PLANT MAINT LABOR	56,654	43,091	52,197	56,322	50,893	(5,429)	
64030 OVERTIME	32,481	31,829	26,353	50,000	45,000	(5,000)	
65015 CELLULAR PHONE	20	-	63	-	-	-	
65020 TREATMENT PLANT TELEPHONE	3,572	3,623	3,458	3,400	3,400	-	
65040 TREATMENT PLANT EDUCATIONAL/MT	5,874	5,481	2,662	5,200	5,200	-	
65200 TREATMENT PLANT ELECTRICITY	98,097	115,047	103,505	105,000	105,000	-	
65220 TREATMENT PLANT WATER	5,895	3,539	3,763	4,172	5,006	834	
65230 TREATMENT PLANT FUEL (WOOD PELLETS)	12,404	10,818	9,478	15,000	16,000	1,000	
65310 TREATMENT PLANT MOTOR VEHICLE	46,973	43,937	28,196	48,743	48,743	-	
65316 TREATMENT PLANT GENERATOR FUEL	1,953	728	291	2,240	2,240	-	
65410 TREATMENT PLANT COMPUTER SERV	4,544	4,142	3,658	7,998	7,998	-	
65480 TREATMENT PLANT OTHER PROF/CON	81,935	96,636	53,356	55,076	60,000	4,924	
65500 TREATMENT PLANT BLDG MAINT	594	1,287	884	2,000	2,000	-	
65700 TREATMENT PLANT EXPENSES MISC	1,211	647	1,600	2,000	2,000	-	
65930 ALARMS	1,550	538	337	2,000	2,000	-	
65955 TREATMENT PLANT SLUDGE MGT	102,796	123,288	137,061	130,000	136,500	6,500	
66010 TREATMENT PLANT OFFICE SUPPLIE	23,690	29,552	27,421	24,670	24,670	-	
66300 TREATMENT PLANT SUPPLIES	2,059	2,701	3,066	3,000	3,000	-	
66340 LABORATORY CHEMICALS/SUPPLIES	16,932	7,785	11,061	11,945	11,945	-	
66400 TREATMENT PLANT REPAIRS/STRUCT	288	301	1,364	1,000	1,000	-	
66410 TREATMENT PLANT REPAIRS/EQUIPM	21,911	18,814	28,718	21,000	21,000	-	
66420 TREATMENT PLANT TOOL/EQUIPMENT	28,856	25,569	31,863	26,000	27,000	1,000	
66450 TREATMENT PLANT CHEMICALS & MA	105,975	88,632	93,071	106,000	106,000	-	
66520 TREATMENT PLANT SAFETY EQUIPME	11,939	10,037	24,029	12,450	13,450	1,000	
<b>TOTAL TREATMENT PLANT</b>	<b>833,584</b>	<b>878,507</b>	<b>801,019</b>	<b>867,198</b>	<b>875,045</b>	<b>7,847</b>	<b>0.9%</b>

	ACTUALS	ACTUALS	ACTUALS	BUDGET	PROPOSED	VARIANCE	%
<b>NEW SEWER LINES AND PUMP STATIONS (consolidated)</b>							
NEW LINES AND OTHER PUMP STATION LABOR	19,115	15,805	21,453	18,189	17,317	(872)	
NEW PUMP STATION LABOR	52,726	62,525	54,119	68,755	58,879	(9,876)	
NEW PUMP STATION TELEPHONE	853	667	379	600	600	-	
NEW PUMP STATION ELECTRICITY	52,301	59,558	53,054	50,815	50,815	-	
NEW PUMP STATION WATER	1,065	912	925	1,225	1,000	(225)	
NEW PUMP STATION GENERATOR FUEL	327	534	491	1,050	1,000	(50)	
NEW PUMP STATION CONTRACT SERVICES	51,210	57,670	45,595	41,178	45,000	3,822	
NEW PUMP STATION ALARM	5,319	7,318	6,971	6,510	6,700	190	
NEW PUMP STATION SUPPLIES	241	154	105	1,320	600	(720)	
NEW PUMP STATION PARTS	41,847	13,485	10,305	13,550	14,000	450	
NEW LINES OTHER PROF SERV/CONTRACT SERV	15,995	16,543	30,872	28,350	28,350	-	
NEW LINES - SUPPLIES	18,759	2,075	18,437	10,000	12,000	2,000	
<b>TOTAL SEWER LINES</b>	<b>259,758</b>	<b>237,246</b>	<b>242,705</b>	<b>241,542</b>	<b>236,261</b>	<b>(5,281)</b>	<b>-2.2%</b>
<b>602715 PUMP STATION 6 - PNSY</b>							
64010 PUMP STATION #6 LABOR	17,092	19,682	17,169	21,827	22,000	173	
65200 PUMP STATION #6 ELECTRICITY	15,107	16,276	13,942	16,000	15,000	(1,000)	
65220 PUMP STATION #6 WATER	1,215	1,043	1,058	1,000	1,000	-	
65315 PUMP STATION GENERATOR FUEL	372	471	150	800	800	-	
65480 PUMP STATION #6 CONTRACTOR SE	8,741	5,399	7,147	4,725	6,000	1,275	
65930 PUMP STATION #6 ALARM	398	459	337	300	300	-	
66300 PUMP STATION #6 SUPPLIES	-	22	210	1,000	1,000	-	
66320 PUMP STATION #6 PARTS	554	4,238	1,414	3,050	4,000	950	
<b>TOTAL PUMP STATION #6 (PNSY)</b>	<b>43,480</b>	<b>47,588</b>	<b>41,427</b>	<b>48,702</b>	<b>50,100</b>	<b>1,398</b>	<b>2.9%</b>
<b>602716 PUMP STATION 7 - ELIOT</b>							
64010 PUMP STATION #7 LABOR	20,304	16,190	14,810	18,553	19,242	689	
65200 PUMP STATION #7 ELECTRICITY	5,396	5,453	5,511	4,860	4,600	(260)	
65220 PUMP STATION #7 WATER	215	231	236	230	230	-	
65315 PUMP STATION GENERATOR FUEL	336	479	-	425	425	-	
65480 PUMP STATION #7 CONTRACTOR SE	5,029	24,754	25,408	4,784	4,784	-	
65930 PUMP STATION #7 ALARM	268	269	430	300	300	-	
66300 PUMP STATION #7 SUPPLIES	100	16	-	50	50	-	
66320 PUMP STATION #7 PARTS	723	12,165	9,607	1,550	1,550	-	
<b>TOTAL PUMP STATION #7 (ELIOT)</b>	<b>32,372</b>	<b>59,557</b>	<b>56,002</b>	<b>30,752</b>	<b>31,181</b>	<b>429</b>	<b>1.4%</b>
<b>TOTAL SEWER ENTERPRISE</b>	<b>1,898,265</b>	<b>2,514,978</b>	<b>2,409,848</b>	<b>2,589,501</b>	<b>2,441,819</b>	<b>(147,682)</b>	<b>-5.7%</b>

## Town of Kittery

## New/Replacement Schedule and Estimated Costs

## Sewer Dept

## Vehiles and Equipment

		2020	2021	2022	2023	2024			
Unit	Year	Purchase	Cost	Description	2020 Replacement	2021 Replacement	2022 Replacement	2023 Replacement	2024 Replacement
Pump Station #13 Gen	2019		102,500	100 KW					
452	2011		95,000	F-550 Dump					
451	2010		63,000	F-550 Utility	-	-	-	-	-
Tank #1 Diff	2008		33,436	Aeration diffusers					
PS # 7 controls	2012		10,000	Panel					
Quansit bldgt	2004		3,500						4,059
Computer Lab	2014		1,500	window 7					
Computer sca,	2014		1,500	window 7					
Computer CO	2014		1,500	window 7					
Computer sca,	2014		1,500	window 7					
Computer sup	2014		1,500	window 7					
Computer surv	2011		1,500	window 7					
Computer GPS	2012		1,500	window 7					
Lap top 1	2012		500	window 7					
lap top 2	2014		500	window 7					
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					6,958
Headwks Blr 1	2014		1,500	RIA 24 2"					1,740
Headwks Blr 2	2014		1,500	RIA 24 2"					1,740
Skid Steer	2010		42,500	New Holland					
Digester Blr 1	2014		15,000	Easysair 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		46,737			
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						
Sewer Capital Reserve					75,653	126,464	272,189	428,037	442,486
Total Projected Expense					149,189	54,275	44,153	185,551	14,496
Reserve Balance					(73,536)	72,189	228,037	242,486	427,989