



# Budget Proposal Fiscal Year 2022

# Budgeting Post-Pandemic

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## FISCAL YEAR 2022 HIGHLIGHTS

- Non-property tax revenue is up, following an uncertain year
- Need for supplemental firefighter support is crucial
- Principal and interest payments start on Library construction debt
  - Refinanced debt providing some offsetting savings
- Seven collective bargaining units entering into contract negotiations
- Total municipal and capital budgets increasing 5.43%
- General operations increasing 1.67% excluding new items (Fire Dept transition and Library debt)
- Tax levy increase for all municipal operations and capital increasing 2.94%

# Goals – Budget

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## Deliver Core Functions

- Adequately provide for delivery of core functions of town
- Be responsive to community expectations and needs
- Address unmet needs and revenue changes from COVID-19
- Integrate sustainability and climate change priorities into Capital Improvement Program

## Balanced Budget

- Maintain adequate undesignated fund balances
- Rebuild stable funding for capital



# Goals – Annual

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## Implement the Comp Plan 5 Year Action Plan

- Propose zoning amendments that support desired growth in targeted areas, affordable housing, climate adaptation

## Town Assets and Infrastructure

- Develop recommendations for the reuse or disposition of various town owned or tax-acquired properties
- Develop a sidewalk master plan

## Complete contract negotiations in a timely fashion

Plan for addressing increasing demand for police, fire, public works, and code enforcement services

# FY22 – Goals Reflected in Budget

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## Budget Goals

- Deliver core functions
- Maintain adequate undesignated fund balances
- Rebuild stable funding for capital



Propose zoning amendments that support desired growth in targeted areas, affordable housing, climate adaptation

- Continue with PT Assistant Planner (formerly titled Project Planner) to research and coordinate development of proposed amendments

Address increasing demands for police, fire, public works, and code enforcement

- Transition to hybrid Fire Department with four full-time firefighters
- Reflect converted parks positions to full-time

Complete the seven collective bargaining unit contract negotiations

- Salary adjustment line for anticipated cost impacts

# Property Values

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Median home listing price for beginning of May is \$480,000.  
Anecdotaly, many homes selling before being listed

Median Home Listing May 2021		# of Homes for Sale
Kittery	\$480,000	52
Kennebunk	\$459,000	85
Wells	\$405,000	96
Old Orchard Beach	\$329,000	75



# Valuation and Mil Rate

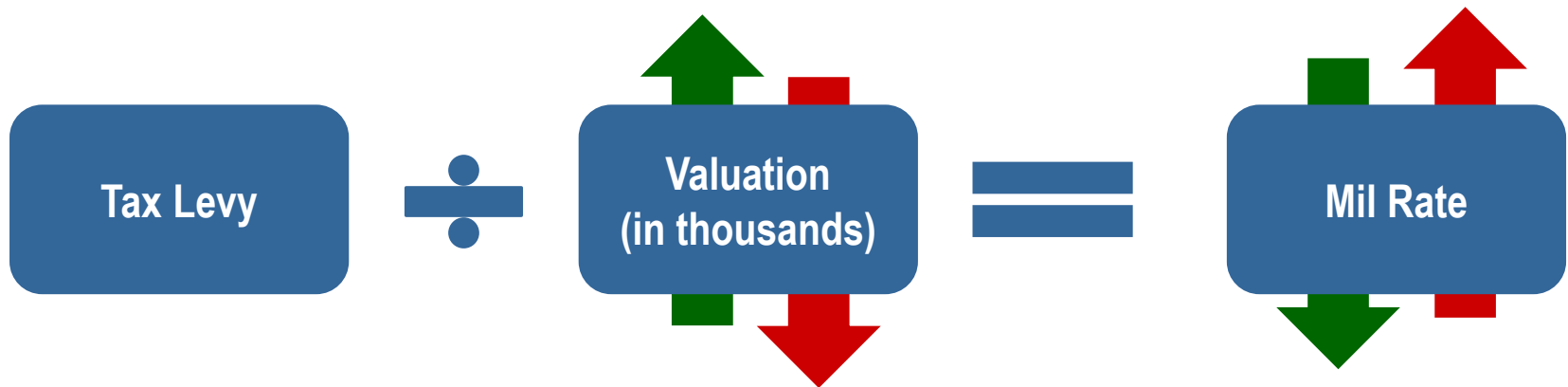
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New Value ~ \$18M - \$19M

- Annual average increases are typically \$15M
- Prior year was a revaluation

Projected Mil Rate ~ \$13.21

- Increase for Municipal Operations and Capital – \$300,992 – 2.94%
- Increase for School Department - \$488,800 – 3.00%
- Estimated tax increase on single family home valued at \$422,000 ~ \$130.82



# Revenue – Property Tax Allocation

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Kittery School  
District (61%)



Municipal & School  
Capital (3.8%)



Municipal Operations  
& TIF (32%)



Other (>0.7%)



County Taxes  
(2.4%)



# Revenue - Summary

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Municipal non-property tax revenue increase \$513,314 – 10.75%

- Auto Excise - \$220,000
- Revenue sharing - \$200,000 *State contemplating increase*
- American Rescue Plan Allocation - \$175,000
- Homestead Exemption - \$100,000
- Kittery Community Center – (\$300,000)

Revenue Projections	Actual FY18	Actual FY19	Actual FY20	Budget FY21	Projected FY22
Recreation	\$1,023,622	\$1,068,298	\$682,312	\$850,000*	\$550,000
SW Fees & Fines	\$169,866	\$157,602	\$126,085	\$115,000	\$125,000
Fort Foster Fees	\$219,168	\$237,967	\$271,048	\$175,000	\$240,000
Harbormaster Fees	\$129,135	\$169,694	\$142,711	\$108,600	\$138,700
Dispatch Income	\$91,350	\$93,360	\$122,005	\$123,360	\$138,360
Total	\$1,633,140	\$1,726,921	\$1,344,162	\$1,371,960	\$1,192,060

# Expense - Summary

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Municipal operations and capital costs increasing ~ 5.43%

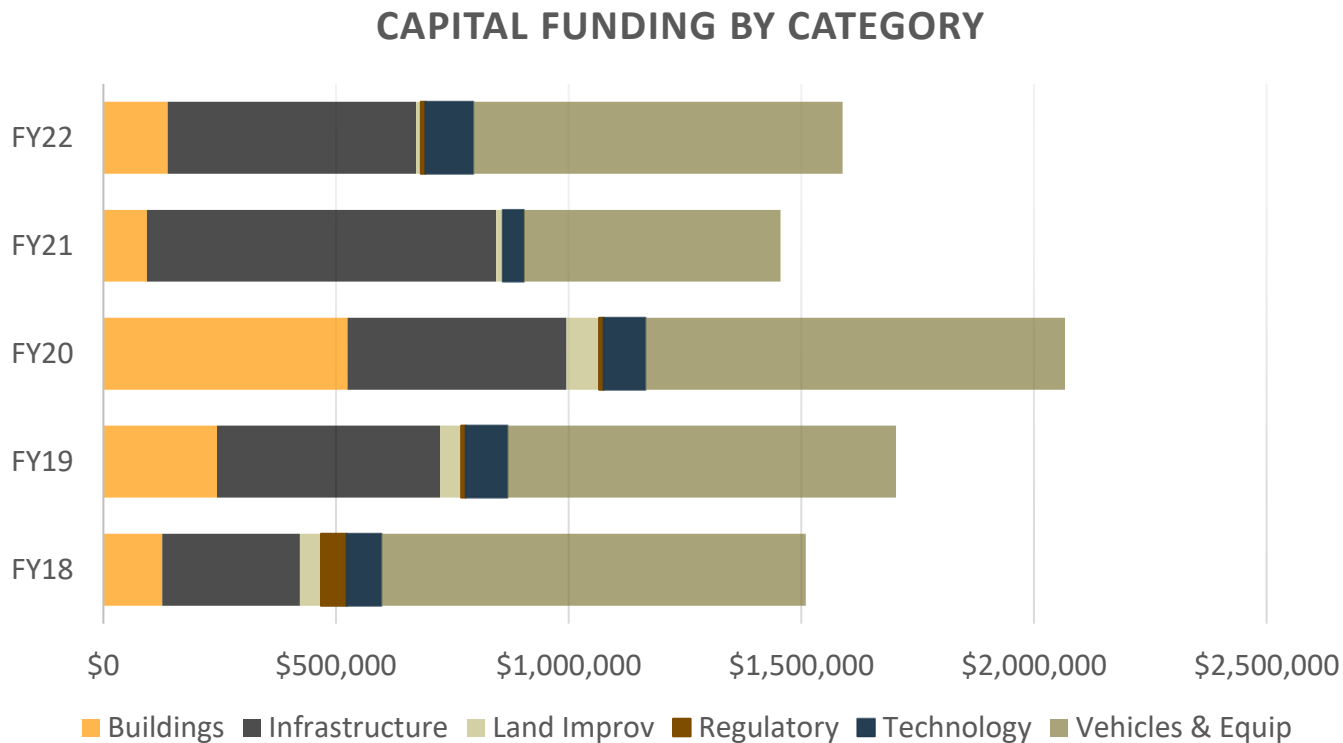
- General Municipal operations increasing ~1.67%
- Fire Dept transition with new full-time ~ \$340,000
- Library Debt ~ \$240,000
- Additional hours for PT Planner
- Additional hours for Deputy Harbormasters
- Transitioned two seasonal DPW to FT



# Expenses – Capital

CAPITAL - \$133,400

- Re-establish stable annual capital budget



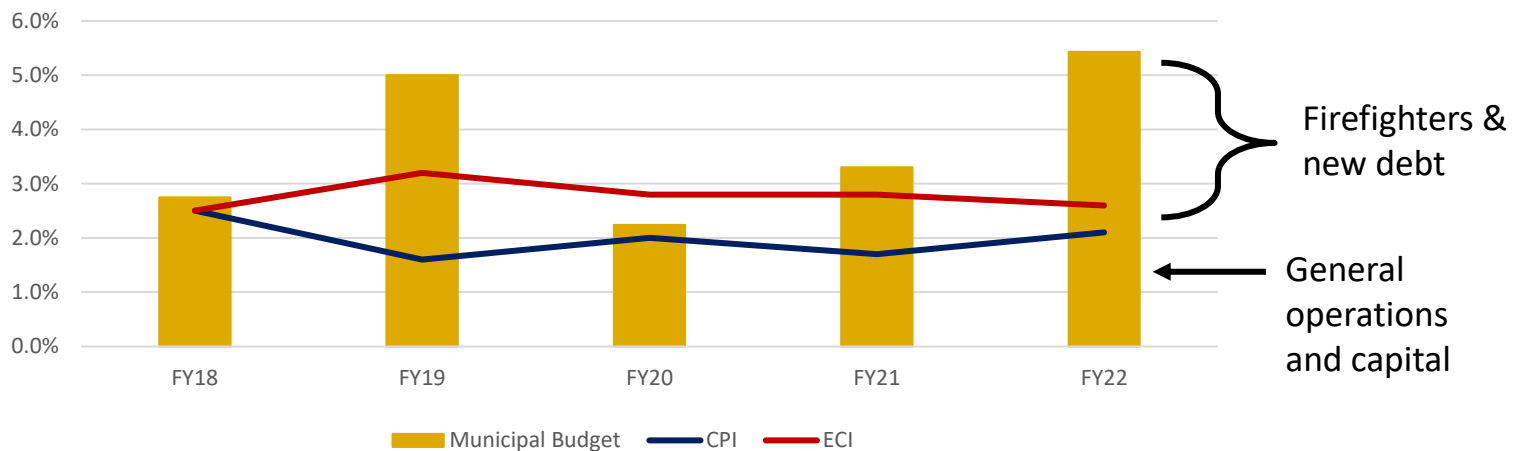
# Wages & Benefits

FY22 reflects contractual obligations for cost-of-living and longevity

- Salary Adjustment line for contract negotiations - \$195,000

SHARED EXPENSES - \$184,717

- Full-time positions, premium increases for medical insurance



# Expenses – Departments

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## ADMINISTRATION – (\$2,547)

- Salary Adjustments to cover seven collective bargaining units entering into negotiations
- Professional services for background checks, job postings, General Code and regional climate effort - \$6,000

## DEBT & INTEREST - \$214,306

- Rice Library Construction bond ~ \$240,000

## MISCELLANEOUS EXPENSES– \$54,035 net

- County taxes – \$71,515
- General Assistance reduction from pandemic level – (\$5,000)
- Hydrant Rentals reflect actual historic – (\$7,000)
- TIF Districts 3, based on valuation – (\$7,000)

# Expenses – Departments

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## PLANNING AND CODE - \$15,760

- Additional hours for Assistant Planner (Project Planner) to assist with affordable housing, sustainability and other planning initiatives – \$5,970
- Software license increases and addition of short-term rental tracking software - \$5,727
- Electric vehicle leases - \$1,218

## POLICE - \$83,930

- Training for Officers - \$2,000
- Printing for citation books – \$2,200
- Computer software licenses and technology maintenance - \$4,400
- Professional services to assist in achieving Accreditation - \$2,500



# Expenses – Departments

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FIRE - \$252,719

- Safe fire response generally requires a minimum of nine firefighters and one Incident Commander, for a total of 10
- Transition to hybrid department to supplement Call-Firefighters with four new full-time Firefighter positions for Gorges Road, weekday - \$242,944
- Benefits costs covered in Shared Services budget

Average Response by Day of Week and Time

Day of the Week	12AM - 8AM				8AM - 4PM				4PM - 12AM			
	2017	2018	2019	2020	2017	2018	2019	2020	2017	2018	2019	2020
Sunday	10.0	9.8	8.8	8.2	11.4	9.9	9.1	9.5	13.0	10.1	11.8	10.1
Monday	10.6	8.8	7.8	6.8	11.2	8.4	7.9	8.9	14.1	10.0	10.0	10.3
Tuesday	8.5	8.4	7.4	8.3	9.8	8.5	9.0	8.8	14.6	12.3	11.0	11.0
Wednesday	11.0	8.0	9.1	7.8	9.6	9.3	8.6	9.5	12.6	11.4	10.4	9.1
Thursday	9.0	8.9	8.8	8.5	9.9	8.1	8.0	8.2	12.3	11.3	10.7	11.0
Friday	11.2	7.3	6.9	7.6	9.2	7.5	7.5	9.0	11.5	8.9	10.4	8.6
Saturday	11.5	9.3	9.0	8.1	9.8	10.0	8.5	9.1	12.0	10.6	9.3	8.9

# Expenses – Departments

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PUBLIC WORKS - \$78,716 combined

Highway - \$20,450

- Striping vendor costs combined with additional locations - \$5,000

Parks & Beaches - \$42,564

- Transition season positions to full-time
- Part-time positions no longer needed – (\$46,800)
- Full-time positions - \$82,340
- Weed management with more environmentally friendly products - \$1,200

Resource Recovery - \$15,701

- Contractual increase for waste hauling and disposal - \$10,000





# Expenses – Departments

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## KITTERY COMMUNITY CENTER – (\$189,048)

- Theatre programming expected to be slowest to recover due to remaining COVID restrictions
- No preschool program while KCC develops new plans for serving youngest children – (\$310,024)
- Summer programs and SAFE Afterschool program expected to return as schools return to normal schedules next year - \$37,000
- Additional contract services to support pilot programs - \$14,000



# Expenses – Departments

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## HARBORMASTER - \$8,801

- Transitioned from one Deputy Harbormaster and one Dock Attendant to two Deputy Harbormasters
- Added two additional weeks onto seasonal staff to assist with start and end of season activities - \$4,942



# Expenses – Departments

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## LIBRARY – (\$20,579)

- Limited operations while Rice Library Bldg is under construction. Budget will go back to full operation in FY23
- Fewer PT hours needed – (\$6,000)
- Utilities and maintenance on Taylor only while construction is ongoing at Rice – (\$19,675)
- Fewer programs due to limited space in Taylor – (\$4,000)
- Rice Library Bldg construction expected to be complete Mar 2022



# Expenses – Enterprise Fund

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## SEWER

- Balanced budget – projected surplus \$46,646

## Sewer Revenue

- Septage revenue offsetting projected revenue reduction in PNSY rate revenue

## Sewer Expenses – \$34,185

- Sludge and plant chemical costs - \$24,000
- Computer services preventative maintenance and services - \$4,000
- Pump Station #7 (Eliot) maintenance - \$4,059



# Wrap Up

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Budget proposal increases driven primarily by

- Transition to hybrid Fire Department ~ \$340,000 combined
- Library Construction Debt ~ \$240,000
- All other operations and capital ~ \$234,128 – 1.67%

Total Tax Levy Increase

- Projected Revenue Offset - \$553,134 – 10.74%
- Municipal Capital and Operations – \$300,992 – 2.94%
- School Department - \$488,800 – 3.00%

Projected mil rate ~ \$13.21

THANK YOU TO THE TOWN DEPARTMENT HEADS  
AND STAFF FOR THEIR EFFORTS IN DEVELOPING  
THE FY2022 BUDGET.

# Questions