

Fiscal Year 2024 Budget Proposal

May 8, 2023

WWW.KITTERYME.GOV



What is an Annual Budget?

A numerical representation of the programs, services and infrastructure prioritized by the community.



FY23 Year in Review

Accomplishments

- Increased social media presence and added significant content on various media platforms.
- Negotiated recruitment and retention adjustments for 7 Collective Bargaining Agreements.
- Completed surplus of 3 Walker Street, Walker Street Fire Station.
 - Awarded 42-44 Old Post to partner for development of affordable housing.
- Reestablished preschool program at KCC with partners.
- Gorges Road Fire Station expansion initiated.















FY23 IN REVIEW CONT.









FY23: IN REVIEW CONT.



ne Town's Climate Adaptation Committee is serving as the Taskforce to develop a mate action plan for Kittery, in collaboration with the communities of Biddeford, Sennebunk and Kennebunkport, and the Southern Maine Planning and Development

Learn more about our climate planning efforts and find out how you can get involved!

Maine's Climate is Changing

For information sources, please visit www.kittervme.gov/CAP

Maine's Climate Will Continue Getting Warmer & Wette

How much more our climate changes, depends on how much heat trapping gas we continue to emit.

Rising Temperatures

Annual temperatures are expected to increase by 4-5 °F; the number of extreme heat days

ximum temperatures greater than 90°F) could double



mum temperatures less than 32°F) are expected to decrease by about 20%; snow cover days will likely decrease by 20-40%. Spring will come earlier, fall will last longer and



The number of 2-inch extreme precipitation events are expected to increase by 20 - 30%.





1900-0 1920-2 1920-2 1920-3 1920-3 1930-9 1930-9



JOIN THE TOWNS OF KITTERY & ELIOT FOR A

MUNICIPAL CAREER & EDUCATIONAL EVENT



FMI: WWW.KITTERYME.GOV/MUNICIPALCAREERS





BOOKS & BIG IDEAS INVITES YOU TO

MEET THE

FMI, please scan the QR code or visit: www.kitteryme.gov/reads.

UPCOMING EVENTS

"Housing for Humans"

Featuring Author Ileana Schinder

May 11, 2023 | 6:00 PM Rice Public Library & Zoom

Featuring Author

Jennifer Jacobson

May 25, 2023 | 6:00 PM

Rice Public Library

LISTEN, LEARN & SHARE YOUR PERSPECTIVE

This May, join your friends and

neighbors for a Books & Big Ideas author

event. Each event will provide readers

with an opportunity to meet the authors,

ask questions, and have in-depth

discussions about the selected titles.

The selected titles have a shared theme of housing insecurity and the

importance of "home". Through these

stories, we aim to enrich the discussion

about affordable housing and it's place

in our community.



SO FAR WE'VE DONATED & DIVERTED OVER

2,000 LBS

SOCIAL SHOUTOUT



Could not help but notice... every road and sidewalk in Kittery done before eight this morning. We have the best Municipal workers around!

Better then that: when I was out the door at 4:00 AM the roads were perfect. They put in some serious work during the night.



Outstanding!!! You are so right. I was just saying that this AM to my husband. Our Town workers are the best of the best. Thanks for keeping us all safe!



Kittery Community Center Master Plan

Public Input Session

April 12, 2023 | 6:00 PM Council Chambers & Zoom

WE'RE EXCITED

The Town of Kittery is developing a Campus Master Plan for the Kittery Community Center that will establish the most beneficial layout for passive and active recreation space, adequate parking and site circulation.

WE WANT TO HEAR FROM YOU!

Join us for a Public Input Session to hear from the KCC Master Plan project team, view the proposed layout design and provide feedback.

Your input will help shape the future of the Kittery Community Center!

To learn more or register via Zoom, scan the QR code or visit: www.kitteryme.gov/KCCMasterPlan.









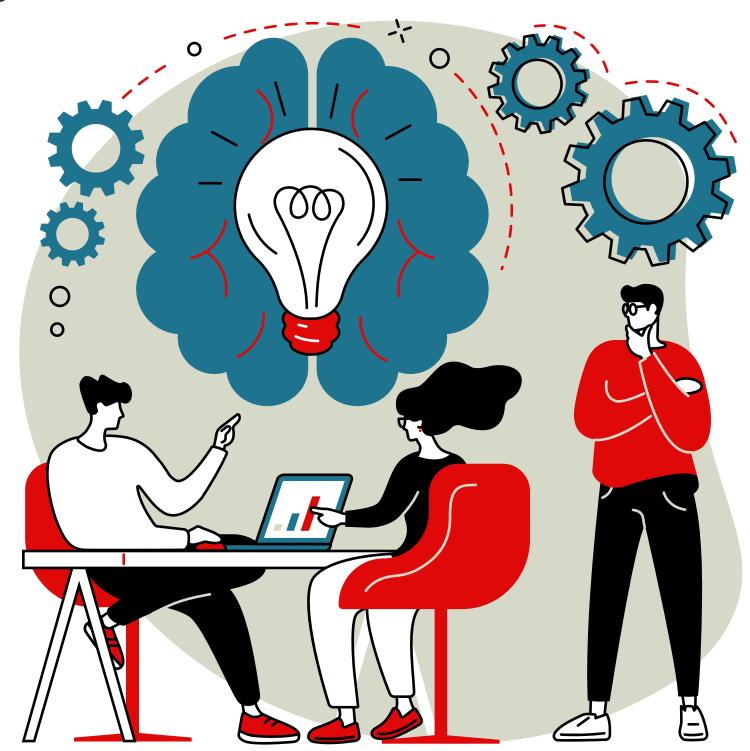
FY24 Budget Goals

Support Ongoing Long-Term Planning & Major Initiatives

- Climate Action Plan
- DEI Assessment Recommendations
- Business Park Zoning Review
- Affordable Housing Education and Development
- Working Waterfront Protection and Expansion
- Youth Ad Hoc Committee assessment and recommendations

Annual Budget

- Responds to service expectations of the community
- Appropriately addresses unmet needs
- Responds to growing inflation

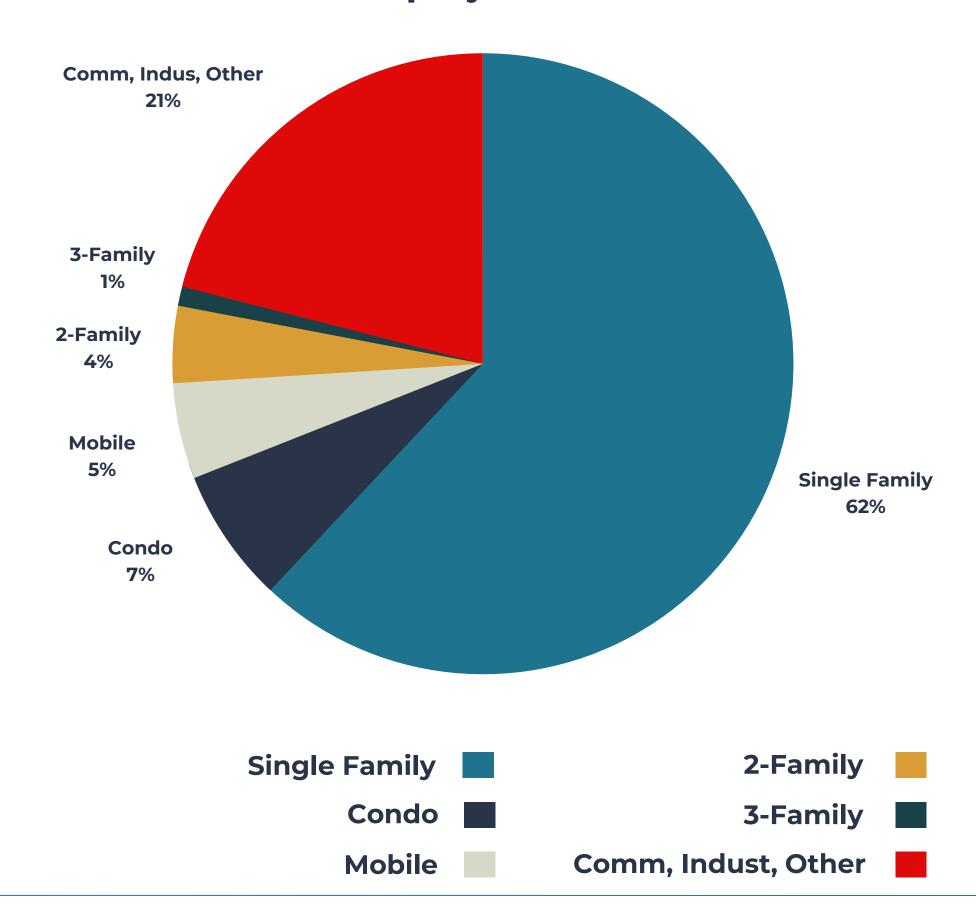


Property Values

- Median home list price: \$539,500.
- Single Family Residential value increase: < 1%
- Commercial and industrial value increase: 11%*
- Residential is over 78% of all value.
 - * Approximately \$18.5M of commercial increase is in residential apartments.



Property Values



Taxes

WHAT IS A TAX LEVY?



The amount to be raised through property taxes to cover government (municipal and school) expenses.







EXPENSES - OTHER REVENUE = TAX LEVY



Projected by Superintendent and Town Manager



Revenue from business operations. Examples includes fees, fines, state allocations, etc.



Property taxes



Budget 101: Revenue & Taxes

- Voters approve the School Budget each June by ballot.
- Town Council approves the Municipal Budget and Capital each year by vote.
- By law, School and Town cannot spend more in a fiscal year than has been approved.
 - Exception: Can be amended by vote.
 - Exception: Appropriated reserve funds, grant funds.
 - Exception: Sewer is funded by customers and is not associated with the tax levy.



MYTH

More revenue or new construction gives the town more money to spend

FACT

More revenue ____ more spending

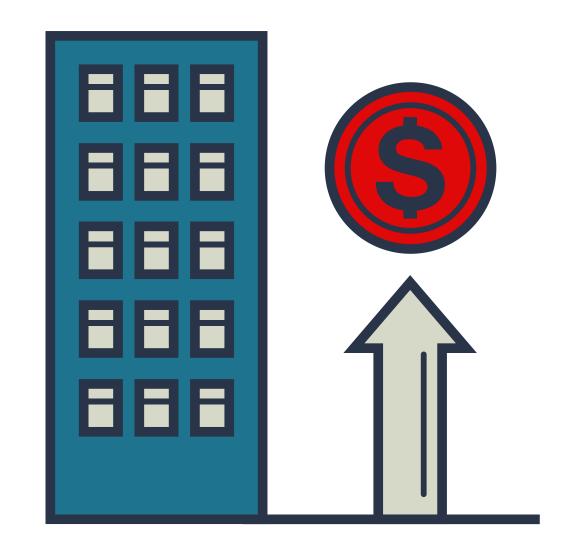
Valuation & Mil Rate

New Value:

- Projected increase of \$37M
 - \$18.5M in TIF district.

Projected Mil Rate:

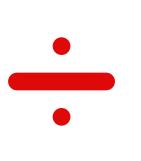
- Increase for Municipal Operations, Capital, TIF, & County: \$0.08
- Increase for School Department: \$0.18



Tax Bill Increase on Avg Single Family Home of \$500,000 in Value: \$6,870

- Municipal Budget: \$2,493
- County Taxes: \$240
- School Budget: \$4,191











Property Tax Allocation

Kittery School District (61%)



Municipal (35%)



Operations Capital & TIF (29%) (6%)

Other (4%)



County Taxes (3.5%)

Revenue Summary

Municipal Non-Property Tax Revenue Increase: 5.78%

- Auto Excise: Flat.
- Revenue Sharing: Increasing \$100,000.
- Recreation Fees: Increasing \$70,000.
- Mooring Fees: Decreasing \$15,000.
- Sewer Dept Rent (Indirect): Increasing \$83,835.
 - Sewer AR/AP role incorporated fully into Administration Finance Division budget.
 - Reflects accurate costs of Finance and Clerk division support of Enterprise Fund.



















Revenue Summary Cont.

Municipal Non-Property Tax Revenue Increase:

Revenue Projections	Actual FY20	Actual FY21	Actual FY22	Budget FY23	Projected FY24	Variance
Recreation	\$682,312	\$182,586	\$558,342	\$580,000	\$650,000	\$70,000
SW Fees & Fines	\$126,085	\$199,042	\$240,993	\$170,000	\$190,000	\$20,000
Ft Foster Fees	\$271,048	\$353,286	\$278,999	\$325,000	\$325,000	\$0
Harbormaster Fees	\$142,711	\$205,856	\$185,063	\$148,600	\$147,100	(\$1,500)
Dispatch Income	\$122,005	\$123,576	\$138,360	\$150,000	\$200,171	\$50,171
Total	\$1,344,162	\$1,064,346	\$1,401,757	\$1,373,600	\$1,512,271	\$138,671

Budget 101: Budget Process

Zero - Based Budget

• Budgets developed to reflect service demand, actual costs, vendor quotes and contracts.

Mandatory and Discretionary Spending

- Debt Service and County Taxes are legally obligated.
- General Assistance and Adult Education are mandated but locally determined.
- FICA, employee benefits, insurances are mandated and based on operations and staffing levels.
- 75% of FT employees in unions with Collective Bargaining Agreements.



Budgets are built by applying a % increase to the prior year's budget

FACT

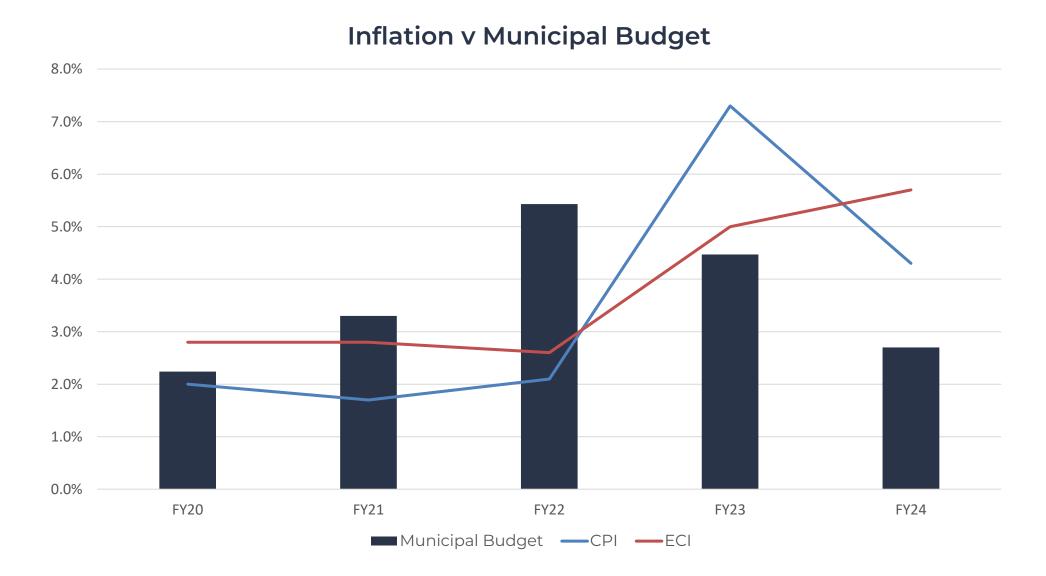
Budgets are built from the bottom up, every year.



Expense Summary

Municipal Operations and Capital Costs: 4.16%

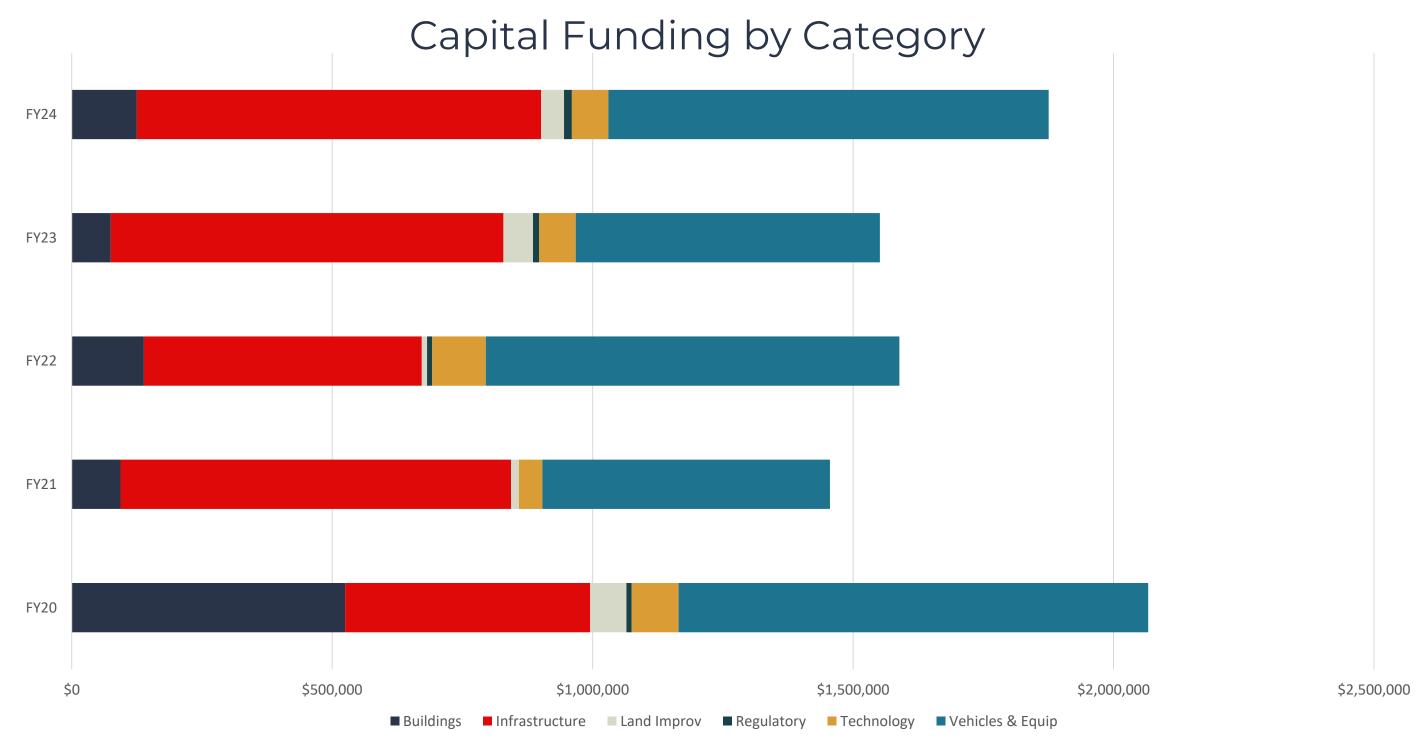
- Total budget increase: \$719,748 ~ 4.16%
- Offsetting revenue: \$343,226
- Resulting increase on tax levy: \$377,010 ~ 3.3%





Capital Expenses

Capital: Increase \$154,000



Wages & Benefits

Wages

- 3% Cost of Living + scheduled steps, longevity, negotiated wage adjustments.
- Budgets include impacts of Recruitment & Retention Package negotiated in 2022.

Shared Expenses

• Estimated 6% increase in health benefits.

Personnel

- 4 additional FT Firefighters approved by Council in Sep 2022.
- 1 additional Public Safety Dispatcher added in Feb 2023 to address staff burnout.
- Sewer AR/AP staff wholly accounted for in Admin Finance Division (corresponding "rent" increase in Revenue).
- Shifted KCC Bookkeeper hours to custodian hours to better meet KCC needs.
- Assistant Code Enforcement Officer shifted to Code Enforcement Officer in Aug 2023 for recruitment.



Department Expenses

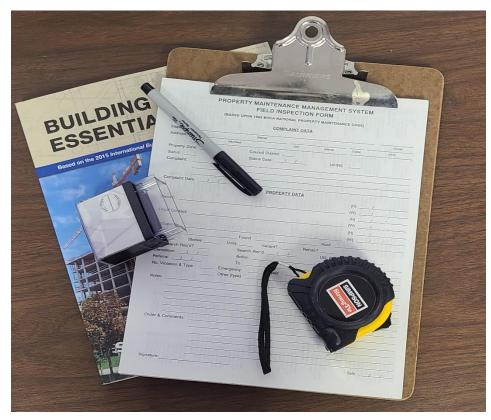
Administration: Increase \$5,254

- Separated wages for Finance and Clerk's divisions for clarity.
- Charging full wages of Sewer AP/AR to general fund, increased reimbursement from Enterprise.
- Tech increase for archiving of social media posts, adding ADA enhancements to website, and financial software increases.

Planning & Code: Increase \$11,627

- Moved one Assistant Code Enforcement Officer to full Code Enforcement Officer role.
- Personal Property Revaluation on pause, savings on Other Professional Services.





Department Expenses Cont.

Fire: Reduction \$36,273

- 8 fulltime Firefighters total.
- Decrease in Call Firefighter wages to reflect actual response.

Police: Increase \$281,786

- 6 staff moving to next longevity step.
- Added 1 Public Safety Dispatcher to address burnout.
- Additional funding for Outreach Liaison program.

Harbormaster: Increase \$20,063

- Increased PT Deputy Harbormaster hours.
- Includes funds for emergency float removal for storms.







Department Expenses Cont.

Public Works: Increase \$89,173

- Highway
 - Increases to cost of salt.
- Parks and Beaches
 - PT wages reflect current market rates.
- Resource Recovery Facility
 - Shifted funds from waste disposal to composting.







Department Expenses Cont.

Kittery Community Center: Increase \$55,644

- PT wages reflect current market rates.
- Shifted hours from bookkeeper position to custodian.

Rice Public Library: Increase \$47,362

- Reflects adjusted wages from 2022/2023.
- Trued up building operating costs.









Enterprise Fund Expenses

Sewer Department

- Unassigned fund balance: Approximately \$543,654.
- Last rate study good through FY24.
- Next rate study to be conducted in 2024 for implementation in FY25.

Sewer Revenue: Increase \$85,000

• Reduction in septage revenue due to DEP/PFAS.

Sewer Expenses: Increase \$158,665

- Sludge disposal costs reflect impact of legislation.
- Chemical costs increasing sharply.

Sewer Debt: \$691,937

• Will balloon in FY25 from \$691,937 to \$865,858.









Wrap Up

- FY24 Reflects level services.
- Supports continued work on major initiatives begun in FY23 and annual goals.
- Closely manages inflationary factors on costs.

BUDGET SUMMARY

- Budget increases less than inflation (CPI and ECI).
- Budget supports implementation of Council's annual goals and ongoing comp plan implementation.

INCREASES DRIVEN BY

- Wages and benefits.
- Rapid inflation on supplies, materials, vendor rates, etc.

TAX LEVY INCREASE

- Municipal Capital and Operations = \$377,010 - 3.32%
- SchoolDepartment =\$689,625 3.94%

PROJECTED MIL RATE

Projected mil rate= \$13.74



Questions

Thank you to the Town Department Heads and staff for their efforts in developing the FY24 budget.

