

To the Citizens of Poland,

Since the Town's experience with the Tax Increment Financing programs and the revaluation in 2009, the town has excelled in becoming a healthy, financial sound entity with an undesignated fund balance of approximately \$2.7m. Progress on several levels has and continues to be accomplished from stabilizing a below average mil rate, dealing with the impact of the country's recession, and yearly expense reductions.

Once again, the Board of Selectmen, Budget Committee Members, Department Heads, and I sat down and carefully reviewed the proposed FY 2014 budget and present to you today the needs and services for which we feel are necessary for the town and its residents.

We have prepared this budget with optimism. However, at this time it is still unknown as to the impact of the Governor's proposed budget. His budget calls for several significant cuts in State Revenue Sharing which if passed will have a strong impact on the budget we present today.

Attached you will find a summary of the proposed expenditures compared to the current FY13 budget and you will see once again many areas with reductions in spending. I have also attached three (3) different scenarios in what we may or may not be facing in relation to the town's revenues. I remain optimistic in that we will continue to receive State Revenues and our mil rate will drop for the fiscal year 2014.

I encourage all voters today, who feel these revenue reductions are excessive, to contact their Senate and House Representatives over the next few weeks and express your concerns. Thank you for coming today and for taking part in the Town Meeting process.

Respectfully,

Rosemary E. Roy

Rosemary E. Roy
Town Manager



TOWN OF POLAND
Fiscal Year 2013-2014 Proposed Budget
OVERALL SUMMARY

	FY 2012-13	FY 2013-14	Difference
ADMINISTRATION	\$ 592,578	\$ 523,438	\$ (69,140)
COMMUNITY SERVICES	\$ 302,329	\$ 265,919	\$ (36,410)
PUBLIC WORKS	\$ 511,550	\$ 512,714	\$ 1,164
SOLID WASTE	\$ 192,605	\$ 185,404	\$ (7,201)
PUBLIC SAFETY - FIRE RESCUE DEPT.	\$ 547,157	\$ 584,597	\$ 37,440
PUBLIC SAFETY - OTHER SERVICES	\$ 284,619	\$ 291,547	\$ 6,928
FINANCIAL SERVICES	\$ 2,205,717	\$ 2,320,062	\$ 114,345
CAPITAL IMPROVEMENTS	\$ 911,319	\$ 768,419	\$ (142,900)
OVERLAY	\$ 108,640	\$ 60,000	\$ (48,640)
COUNTY TAX	\$ 670,082	\$ 667,068	\$ (3,014)
TOTAL EXPENDITURES	\$ 6,331,596	\$ 6,179,168	\$ (152,428)
			2.47% REDUCTION
NON TAX REVENUES	\$ 2,269,583	\$ 2,206,833	\$ (62,750)
			2.7% REDUCTION
NET TO TAXES	\$ 4,062,013	\$ 3,972,335	\$ (89,678)
			2.2% REDUCTION

THE REVENUE PROJECTION ABOVE DOES NOT REFLECT ANY CHANGES IN THE AMOUNT
OF STATE MUNICIPAL REVENUE SHARING THE TOWN CURRENTLY RECEIVES.
IF THESE REVENUES REMAIN THROUGHOUT FY14 MIL RATE IS PROJECTED TO INCREASE BY .09 WITH THE
PROPOSED EDUCATIONAL BUDGET INCREASE OF \$313,988. SEE ILLUSTRATION #1

STATE REVENUE SHORTFALL

PROJECTED LOSS OF STATE REVENUES SHOULD THE GOVERNOR'S BUDGET PASS.

State Revenue Sharing + Other State Funds	\$	370,800		
Commercial Excise	\$	40,000		
Homestead Exemption	\$	76,792		
BETE Tax Reimbursement	\$	66,741		
TOTAL PROJECTED STATE REVENUE LOSS:	\$	554,333		
Other Revenue Reductions:	\$	62,750		
TOTAL REVENUE LOSS:	\$	617,083		
TOTAL EXPENDITURES	\$	6,331,596	\$	6,189,168
				\$ (142,428)
NON TAX REVENUES	\$	2,269,583	\$	1,652,500
				\$ (617,083)
NET TO TAXES	\$	4,062,013	\$	4,536,668
				\$ 474,655

SEE ILLUSTRATION #2 FOR IMPACT TO MIL RATE IN RECEIVING NO STATE REVENUES.

SEE ILLUSTRATION #3 FOR IMPACT TO MIL RATE IF THE TOWN APPLIES
FUNDS DESCRIBED IN ARTICLES 25 & 26.

**DEPARTMENTAL PROPOSED EXPENDITURES
COMPARING CURRENT YEAR TO PROPOSED FY14**

ADMINISTRATION	FYE13 Budget	FYE14 Request	Difference
Personnel	\$ 331,957	\$ 294,304	\$ (37,653)
Operating Expenses	\$ 104,901	\$ 85,100	\$ (19,801)
Contracted Services	\$ 99,950	\$ 84,606	\$ (15,344)
Buildings & Grounds	\$ 44,185	\$ 48,093	\$ 3,908
Cable TV Operations	\$ 11,585	\$ 11,335	\$ (250)
TOTAL	\$ 592,578	\$ 523,438	\$ (69,140)

Administration: Overall 11.66% Reduction

COMMUNITY SERVICES	FYE13 Budget	FYE14 Request	Difference
Code Enforcement	\$ 77,130	\$ 78,575	\$ 1,445
Recreation Department	\$ 59,904	\$ 66,852	\$ 6,948
Health Officer	\$ 2,625	\$ 2,145	\$ (480)
Beach Maintenance	\$ 2,805	\$ 4,005	\$ 1,200
Conservation	\$ 9,300	\$ 4,300	\$ (5,000)
General Assistance	\$ 80,000	\$ 40,000	\$ (40,000)
Social Service Agencies	\$ 4,000	\$ 4,000	\$ -
Ricker Memorial Library	\$ 66,565	\$ 66,042	\$ (523)
TOTAL	\$ 302,329	\$ 265,919	\$ (36,410)

Community Services: 12% Overall Reduction - The most significant drop in these services is within the General Assistance program. The need for this service has continued to drop over the past year. Beach increase is to repair the concrete pads at the Tripp Lake boat launch. In areas of employment wages the part-time position of Rec. Coordinator is once again being covered fully under Community Services, as originally approved by voters, instead of a portion being covered under the Recreation Program auxiliary funds. The Ricker Library wages have been adjusted to be more in line with the average state wages received for those positions and one part-time position will go to a full-time position. Overall the Library's expenses have been reduced and this department comes in under budget.

AUXILIARY FUNDS

Recreation Program Expenses = \$126,828 Recreation Program Income = \$128,446

Ricker Memorial Library Program Expenses = \$129,037 Library Income = \$63,995

PUBLIC WORKS	FYE13 Budget	FYE14 Request	Difference
Personnel	\$ 263,990	\$ 273,484	\$ 9,494
Operating Expenses	\$ 220,050	\$ 214,480	\$ (5,570)
Professional/Contracted Services	\$ 27,510	\$ 24,750	\$ (2,760)
TOTAL	\$ 511,550	\$ 512,714	\$ 1,164

Public Works Department modifications reflect reductions in several line items of Operational & Professional services. A \$26,000 deduction was made in part-time & overtime wages to extend 1 part-time position to a full-time position allowing for a 6 man crew and a high quantity of road service. A new item that we have not had to budget for in the past is \$10,000 for the purchase of sand as the town's last available sand pit is beginning to run dry.

SOLID WASTE	FYE13 Budget	FYE14 Request	Difference
Personnel	\$ 77,175	\$ 80,854	\$ 3,679
Operating Expenses	\$ 8,680	\$ 3,300	\$ (5,380)
Professional/Contracted Services	\$ 100,000	\$ 91,750	\$ (8,250)
Maintenance/Supplies	\$ 6,750	\$ 9,500	\$ 2,750
TOTAL	\$ 192,605	\$ 185,404	\$ (7,201)

Solid Waste Department: 3.74% overall operational reduction.

PUBLIC SAFETY - FIRE RESCUE DEPARTMENT	FYE13 Budget	FYE14 Request	Difference
Personnel	\$ 432,187	\$ 462,650	\$ 30,463
Operating Expenses	\$ 42,420	\$ 30,270	\$ (12,150)
Professional/Contracted Services	\$ 32,700	\$ 40,185	\$ 7,485
Supplies	\$ 39,850	\$ 51,492	\$ 11,642
TOTAL	\$ 547,157	\$ 584,597	\$ 37,440

A reduction in operational services of \$12,150 has aided in the department's increases in other areas. The more significant change to the department is the request to provide 24/7 service to the residents of Poland at an annual cost of \$38,410. Overall a 6.8% increase.

PUBLIC SAFETY - OTHER SERVICES		FYE13 Budget	FYE14 Request	Difference
Law Enforcement	\$	224,479	\$ 219,171	\$ (5,308)
Dispatch Service	\$	21,500	\$ 33,951	\$ 12,451
Animal Control Services	\$	9,300	\$ 9,300	\$ -
Streetlighting	\$	12,000	\$ 12,000	\$ -
Hydrants/Dry Hydrants	\$	11,675	\$ 11,675	\$ -
Emergency Management Services	\$	5,665	\$ 5,450	\$ (215)
TOTAL	\$	284,619	\$ 291,547	\$ 6,928
Beginning with this new fiscal year or July 1, 2014, we are electing to have all of dispatching service come directly through the Lewiston / Auburn Communications Center as opposed to emergency calls going to the County dispatch routed to our emergency services. This cuts the notification time to our emergency services considerably and therefore the response time is almost immediate. This change also reduces the County tax bill by \$10,000.				
FINANCIAL SERVICES				
		FYE13 Budget	FYE14 Request	Difference
DEBT SERVICE (Non TIF Debt)				
Plains Road 55%	\$	59,154	\$ 57,098	\$ (2,056)
PW Garage less School portion	\$	88,994	\$ 81,044	\$ (7,950)
MMWAC Ownership	\$	188,117	\$ 177,860	\$ (10,257)
Transfer Station	\$	17,143	\$ 15,911	\$ (1,232)
Fire Rescue Station Expansion	\$	-	\$ 153,724	\$ 153,724
TOTAL	\$	353,408	\$ 485,637	\$ 132,229
TAX INCREMENT FINANCING				
PSB Co. I & II TIF	\$	1,220,515	\$ 1,220,515	\$ -
Downtown Village TIF	\$	101,194	\$ 101,194	\$ -
TOTAL	\$	1,321,709	\$ 1,321,709	\$ -
EMPLOYEE BENEFITS				
Health & Life Insurance	\$	280,000	\$ 191,241	\$ (88,759)
Health Insurance Deductible Costs	\$	-	\$ 43,120	\$ 43,120
ICMA/MPRS Retirement	\$	45,000	\$ 38,137	\$ (6,863)
Soc. Sec. / FICA (7.65%)	\$	86,000	\$ 89,018	\$ 3,018
Workman's Compensation	\$	42,500	\$ 57,000	\$ 14,500
Unemployment	\$	21,000	\$ 17,500	\$ (3,500)
Sick Time Pay Out	\$	3,000	\$ 3,000	\$ -
Volunteer Firefighter Insurance	\$	1,800	\$ 1,800	\$ -
Safety / Wellness	\$	1,000	\$ 1,000	\$ -
Educational Incentive	\$	300	\$ 300	\$ -
Merit Based Increases	\$	-	\$ 23,000	\$ 23,000
TOTAL	\$	480,600	\$ 465,116	\$ (15,484)
MUNICIPAL INSURANCE (Property/Casualty)	\$	40,000	\$ 42,600	\$ 2,600
CONTINGENCY FUND	\$	10,000	\$ 5,000	\$ (5,000)
Financial Services TOTAL:	\$	2,205,717	\$ 2,320,062	\$ 114,345
COUNTY TAX & OVERLAY				
COUNTY TAX	\$	670,082	\$ 667,068	\$ (3,014)
County taxes rose by 1% but by applying the reduction in dispatching costs these taxes are reduced .05%.				
OVERLAY	\$	108,640	\$ 60,000	\$ (48,640)

#1 Increase Tax Rate (+.09¢) / No Substantial Changes in Revenues**Proposed Budget Reflects**

Municipal Budget Reduced 2.2% (-89,678) / Education Budget Increased 5.345% (+313,988)

NO Change to the Property Owner Homestead Exemption Relief of \$10,000.**Governor's Budget Does Not Pass****VALUATIONS**

1	Taxable Real Estate:	\$ 635,338,820.00
2	Taxable Personal Property:	\$ 92,596,608.00
3	Total Taxable Valuation:	\$ 727,935,428.00
4a	Homestead Exemption Valuation:	\$ 17,112,390.00
4b	Homestead Exemption Reimbursement:	\$ 8,556,195.00
5a	BETE Valuation:	\$ 33,204,193.00
5b	BETE Reimbursement:	\$ 21,372,989.00
6	Total Valuation Base:	\$ 757,864,612.00

ASSESSMENTS

7	County Tax:	\$ 667,068.00
8	Municipal Appropriation:	\$ 3,972,335.00
9	TIF Financing	\$ 1,321,709.38
10	Education Local Share	\$ 6,188,294.00
11	Total Assessments:	\$ 12,149,406.38

ALLOWABLE DEDUCTIONS

12	Municipal Revenue Sharing (only):	\$ 350,000.00
13	Other Revenues (no Homestead/BETE):	\$ 1,448,300.00
14	Total Deductions:	\$ 1,798,300.00
15	Net to be Raised by Taxation:	\$ 10,351,106.38

TAX RATES/OVERLAY

16	Maximum Allowable Tax	\$ 10,868,661.70
17	Minimum Tax Rate	\$ 0.013658
18	Maximum Tax Rate	\$ 0.014341
18a	Tax Rate For Commitment	\$ 0.013740
19	Tax For Commitment	\$ 10,001,832.78
20	Maximum Overlay	\$ 517,555.32
21	Homestead Reimbursement	\$ 117,562.12
22	BETE Reimbursement	\$ 293,664.87
23	Overlay	\$ 61,953.39

Projected Property Tax Mil Rate Per Thousand of Valuation

FY 2013		FY 2014		Difference
Property Value	Tax @ 13.65	Tax @ 13.74		
\$ 125,000.00	\$ 1,706.25	\$ 1,717.50	\$	11.25
\$ 175,000.00	\$ 2,388.75	\$ 2,404.50	\$	15.75
\$ 200,000.00	\$ 2,730.00	\$ 2,748.00	\$	18.00
\$ 250,000.00	\$ 3,412.50	\$ 3,435.00	\$	22.50

Homestead Example: Property Valuation is \$135,000 minus (-) \$10,000 relief; Taxed Valuation is:

\$ 125,000.00	\$ 1,706.25	\$ 1,717.50	\$	11.25
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#2 Tax Rate Increase (+.78¢) Due to Reduced Revenues from State Budget

Municipal Budget Reduced 2.2% (-89,678) / Education Budget Increased 5.345% (+313,988)

Property Owner Homestead Exemption Relief of \$20,000 to Owners 65 Years of Age and Up.

Reflects No Additional Town Funds Applied to Supplement Revenue Loss.

VALUATIONS

1	Taxable Real Estate:	\$	635,338,820.00
2	Taxable Personal Property:	\$	92,596,608.00
3	Total Taxable Valuation:	\$	727,935,428.00
4a	Homestead Exemption Valuation (Estimated 65% reduction) :	\$	5,989,336.50
4b	Homestead Exemption Reimbursement Valuation (@ 50%):	\$	2,994,668.25
5a	BETE Valuation (Estimated 23% reduction):	\$	25,567,228.61
5b	BETE Reimbursement (@ 60%):	\$	15,340,337.17
6	Total Valuation Base:	\$	746,270,433.42

ASSESSMENTS

7	County Tax:	\$	667,068.00
8	Municipal Appropriation:	\$	3,972,335.00
9	Tax Increment Financing (TIF) Financing:	\$	1,321,709.38
10	Education Local Share (5.35% Increase/\$313,988): (Due to Governor's Proposed Budget.)	\$	6,188,294.00
11	Total Assessments:	\$	12,149,406.38

ALLOWABLE DEDUCTIONS

12	Municipal Revenue Sharing (only):	\$	-
13	All Other Revenues (no Homestead/BETE):	\$	1,448,300.00
14	Total Deductions:	\$	1,448,300.00
15	Net to be Raised by Taxation:	\$	10,701,106.38

TAX RATES/OVERLAY

16	Maximum Allowable Tax	\$	11,236,161.70
17	Minimum Tax Rate	\$	0.014339
18	Maximum Tax Rate	\$	0.015056
18a	Tax Rate For Commitment	\$	0.014420
19	Tax For Commitment	\$	10,496,828.87
20	Maximum Overlay	\$	535,055.32
21	Homestead Reimbursement	\$	43,183.12
22	BETE Reimbursement	\$	221,207.66
23	Overlay	\$	60,113.27

Projected Property Tax Increase Per Thousand of Valuation

		FY 2013		FY 2014		
	<u>Property Value</u>		<u>Tax @ 13.65</u>		<u>Tax @ 14.42</u>	<u>Difference</u>
\$	125,000.00	\$	1,706.25	\$	1,802.50	\$ 96.25
\$	175,000.00	\$	2,388.75	\$	2,523.50	\$ 134.75
\$	200,000.00	\$	2,730.00	\$	2,884.00	\$ 154.00
\$	250,000.00	\$	3,412.50	\$	3,605.00	\$ 192.50

Homestead Example Age 65+: Property Valuation is \$145,000 minus (-) \$20,000 relief; Taxed Valuation is:

\$	125,000.00	\$	1,706.25	\$	1,802.50	\$	96.25
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#3 Tax Rate Increase (+.31¢) Using TIF Funds & Undesignated Funds**Applied to Supplement Partial Loss of Revenues**

Municipal Budget Reduced 2.2% (-89,678) / Education Budget Increased 5.345% (+313,988)

Property Owner Homestead Exemption Relief of \$20,000 to Owners 65 Years of Age and Up.

VALUATIONS

1	Taxable Real Estate:	\$ 635,338,820.00
2	Taxable Personal Property:	\$ 92,596,608.00
3	Total Taxable Valuation:	\$ 727,935,428.00
4a	Homestead Exemption Valuation (Estimated 65% reduction) :	\$ 5,989,336.50
4b	Homestead Exemption Reimbursement Valuation (@ 50%):	\$ 2,994,668.25
5a	BETE Valuation (Estimated 23% reduction):	\$ 25,567,228.61
5b	BETE Reimbursement (@ 60%):	\$ 15,340,337.17
6	Total Valuation Base:	\$ 746,270,433.42

ASSESSMENTS

7	County Tax:	\$ 667,068.00
8	Municipal Appropriation:	\$ 3,972,335.00
9	Tax Increment Financing (TIF) Financing:	\$ 1,321,709.38
10	Education Local Share (5.35% Increase/\$313,988): (Due to Governor's Proposed Budget.)	\$ 6,188,294.00
11	Total Assessments:	\$ 12,149,406.38

ALLOWABLE DEDUCTIONS

12	Municipal Revenue Sharing (only):	\$ -
13	All Other Revenues : Includes <u>TIF Funds & Undesignated Funds</u> (no Homestead/BETE)	\$ 1,798,300.00
14	Total Deductions:	\$ 1,798,300.00
15	Net to be Raised by Taxation:	\$ 10,351,106.38

TAX RATES/OVERLAY

16	Maximum Allowable Tax	\$ 10,868,661.70
17	Minimum Tax Rate	\$ 0.013870
18	Maximum Tax Rate	\$ 0.014564
18a	Tax Rate For Commitment	\$ 0.013950
19	Tax For Commitment	\$ 10,154,699.22
20	Maximum Overlay	\$ 517,555.32
21	Homestead Reimbursement	\$ 41,775.62
22	BETE Reimbursement	\$ 213,997.70
23	Overlay	\$ 59,366.17

Projected Property Tax Increase Per Thousand of Valuation

	FY 2013		FY 2014		
	Property Value	Tax @ 13.65	Tax @ 13.95		Difference
\$	125,000.00	\$ 1,706.25	\$ 1,743.75	\$	37.50
\$	175,000.00	\$ 2,388.75	\$ 2,441.25	\$	52.50
\$	200,000.00	\$ 2,730.00	\$ 2,790.00	\$	60.00
\$	250,000.00	\$ 3,412.50	\$ 3,487.50	\$	75.00

Homestead Example Age 65+: Property Valuation is \$145,000 minus (-) \$20,000 relief; Taxed Valuation is \$ 125,000.00 \$ 1,706.25 \$ 1,743.75 \$ 37.50

Town of Poland
Current FY13 & Projected FY14
Capital Improvements

Reserve Account	Beginning Balance	FY13 Appropriation	Available	YTD Act Expenses	Balance of Funds	FY2014 Request	FY14 Beginning Balance	Anticipated FY14 Expenditures
Property Revaluation	\$ -	\$ 25,000	\$ 25,000	\$ -	\$ 25,000	\$ -	\$ 25,000.00	\$ -
The last Town Revaluation was completed for FYE 2009. The cost was \$200,000. The longest we should go before a new revaluation is conducted is approximately 7-8 years or FY2016 or 2017. Therefore, it is recommended to bypass this year and budget approximately \$55K for FY's 2015-17.								
Solid Waste	\$ 6,818	\$ 3,500	\$ 10,318	\$ -	\$ 10,318	\$ 6,000	\$ 16,318	\$ 8,000
One Roll-over Container must be replaced this coming year.								
Law Enforcement	\$ 17,425	\$ -	\$ 17,425	\$ -	\$ 17,425	\$ 5,000	\$ 22,425	\$ -
Replacement of Law Enforcement Vehicles takes place approximately every two years.								
Roads	\$ 149,505	\$ 330,000	\$ 479,505	\$ 316,015	\$ 163,490	\$ 258,001	\$ 421,491	\$ 350,000
Includes complete reconstruction of Tripp Lake Road, No. Raymond Rd. Ext. & the Cobb Brook Rd; S/P of Jackson Rd & a portion of Summit Springs Rd & annual crack filling Maintenance. Please note that lining of roads is contained in the Public Works budget.								
Recreation	\$ 9,040	\$ -	\$ 9,040	\$ 4,579	\$ 4,461	\$ 18,640	\$ 23,101	\$ 23,101
These funds will go toward the rehabilitation and completion of ball fields throughout town. The actual cost will be \$43,101, (\$20,000 will be received from the Poland Community School capital improvement funds left over from when Union 29 was in operation.)								
Public Works	\$ 218,782	\$ 123,375	\$ 342,157	\$ -	\$ 342,157	\$ -	\$ 342,157	\$ 55,000
This account represents no new appropriations for FYE 2014. The Public Works department houses 11 heavy equipment vehicles & machinery. It has been determined that a Shoulder Machine and Trailer are items not needed by this department so a request to have \$18,000 reallocated to the departments other needs under Article 36. This year the 2005 Pick up with plow is due for replacement and the front wheel drive system on the grader is in serious need of repairs. All other equipment is on schedule for future replacement.								
Fire Rescue	\$ 326,733	\$ 324,944	\$ 651,677	\$ 32,726	\$ 618,951	\$ 324,944	\$ 943,895	\$ 57,000
The appropriation request for the Fire Rescue Department remains the same amount this year setting aside funds for the replacement of Engine #3, Engine #2, & the Heavy Rescue Engine #1. All equipment is on schedule for future replacement. Life Pack Monitors are due this year for replacement as well as repairs to the Utility unit.								
Municipal Facilities	\$ 91,602	\$ 6,600	\$ 98,202	\$ 88,681	\$ 9,521	\$ 155,834	\$ 165,355	\$ 134,486
Along with needed wear and tear renovations the Municipal Reserves also includes an outside electrical sign in the municipal complex. A new floor in Community Room of the Library, Library Parking, painting & trim work of municipal buildings, the completion of repairs to the Town Hall, railings & steps to the Historical Society building. This account also covers technology needs. There is \$6,800 under Article 35 that we are asking to reallocate to the preservation of the Town Clerk's records as the state is no longer requiring the town to purchase a voting machine tabulator.								