

PROPOSED FY 24 BUDGET

- Municipal and County expenses went up \$586,843
- Municipal revenue increased by \$307,143
- Total net taxes to be raised increased by \$279,700 or 5.01%
- This equates to approximately \$14 per year increase in taxes for municipal expenses per \$100,000 valuation in property
- Average property value in Poland is \$150,000 which brings the increase to \$21 per year in taxes

The Board of Selectpersons continues to put a high value on keeping the mil rate (tax rate) low for our residents in town. They authorized the Assessing Agent to do work that allows the certified ratio to be raised to 100%. What this does is it allows us to pick up 100% of the BETE/BETR reimbursements from the State and gains us approximately another \$250K in revenue to offset the mil rate. Although residents will see their property values rise due to this measure it will not have an effect on their taxes they pay. When you raise valuation the mil rate is dropped therefore balancing itself out.

What is BETE/BETR – these are tax programs for business' that allow them to be exempt for some personal property taxes. The state will reimburse the Town 58% percent of the exempt personal property value, thus increasing the revenue that the Town gets from the State to make up for the percent of personal property taxes that were considered to be tax exempt.

With this proposed budget we are looking at a mil rate for municipal/county budget of 16.65. With the approval of the \$550,000 use from the unassigned fund balance the mil rate would be reduced to 15.97. The increase in property values, including the BETE/BETR reimbursement, should equate to a significantly lower mil rate, with it expected to be just slightly above last years mil rate, not including any school increase. This number is difficult to estimate as of the public hearings but we will send out an estimation prior to the June 13, 2023 election as the updated property valuation becomes available to us.

Please take note that this estimation only looks at the school expense staying the same as it was for FY 23.

TOWN OF POLAND
FY 2024 Proposed Budget

BUDGET SUMMARY

	FY 2023	PROPOSED	CHANGE	
			\$	%
General Government	\$ 2,495,550	\$ 2,844,498	\$ 348,948	13.98%
Community Services	541,460	620,308	78,848	14.56%
Public Works	783,438	914,636	131,198	16.75%
Solid Waste	344,901	397,114	52,213	15.14%
Public Safety	1,795,669	2,028,593	232,924	12.97%
Capital Improvement Plan	931,075	1,057,713	126,638	13.60%
TIF Allocation Amount	1,416,050	1,032,124	(383,926)	-27.11%
Expense Total	8,308,143	8,894,986	586,843	7.06%
Applied Non-tax Revenues	2,724,912	3,032,055	307,143	11.27%
Net Taxes to be Raised	5,583,231	5,862,931	279,700	5.01%

Article 13. To see if the Town will vote to appropriate \$3,032,055 in revenue from non-property tax resources to reduce the total amount authorized to be raised by taxation, and further to see if the Town will authorize the Board of Selectpersons and Treasurer to accept any additional revenues or funds that may be used to reduce the amount required to be raised by taxation. ***Budget Committee recommends approval.***

- State Municipal Revenue Sharing \$609,644 (INCREASED \$46,774)
- Motor Vehicle Excise \$1,475,000
- MDOT LRAP \$77,920 (INCREASED \$5,220)
- Ambulance Service Fees \$338,000 (INCREASED \$53,000)
- Investment Interest \$210,000 (INCREASED \$150,000)
- All Other Anticipated Revenues \$321,491 (INCREASED \$52,149)

Article 14. To see if the Town will vote to authorize the use of funds from the Jane Ricker Trust, totaling \$71,765, and the AB Ricker Fund, totaling \$20,076, for the purpose of supplementing the Ricker Memorial Library operating budget for Fiscal Year 2024 in accordance with the Town's Investment Policy. ***Budget Committee recommends approval.***

(INCREASED \$7,968)

Article 15. To see if the Town will vote to raise and appropriate \$2,844,498 for General Government. **Budget Committee recommends approval.**

- General Government \$2,757,106
 - County Tax \$1,186,227 (INCREASED \$167,286)
 - Debt Service \$234,216 (INCREASED \$33,414)
 - Legal, Audit & Assessing Agent \$64,250 (INCREASED \$3,000)
 - All other \$1,272,413 (INCREASED \$133,615)
- Buildings & Grounds \$72,739 (INCREASED \$10,977)
- Cable TV \$14,653 (INCREASED \$656)

Article 16. To see if the Town will vote to raise and appropriate \$620,308 for Community Services. **Budget Committee recommends approval.**

- Planning & Development \$209,183 (INCREASED \$28,291)
- Recreation Salaries & Benefits \$192,132 (INCREASED \$26,356)
- Health Officer \$1,752 (INCREASED \$94)
- Beach Maintenance \$6,655 (INCREASED \$465)
- Conservation Services \$10,000
- General Assistance \$11,000 (INCREASED \$6,000)
- Social Service Agencies \$9,777 (INCREASED \$1,933)
- Town Portion for Library \$170,809 (INCREASED \$14,209)
- Ball Field Maintenance \$9,000 (INCREASED \$1,500)

Article 17. To see if the Town will vote to raise and appropriate \$914,636 (INCREASED \$131,198) for Public Works and \$397,114 (INCREASED \$52,213) for Solid Waste. **Budget Committee recommends approval.**

Article 18. To see if the Town will vote to raise and appropriate \$2,028,593 for Public Safety. **Budget Committee recommends approval.**

- Fire Rescue \$1,379,219 (INCREASED \$130,380)
- Law Enforcement \$548,575 (INCREASED \$85,453)
- Dispatching \$60,605 (INCREASED \$14,591)
- Animal Control \$14,500 (INCREASED \$2,500)
- Street Light & Beacon \$19,694
- Emergency Management \$6,000

Article 19. To see if the Town will appropriate for Tax Increment Financing (TIF) Districts an estimated total amount of \$1,032,124, dependent upon actual mil rate. **Budget Committee recommends approval.**

- TIF I \$471,367
- TIF II \$484,855
- DTV TIF \$75,902

(DECREASED \$383,926)

Article 20. To see if the Town will vote to raise and appropriate \$1,057,713 for the FY24 Capital Improvement Program for the Capital Reserve accounts. ***Budget Committee recommends approval.***

- Municipal Facilities Reserve \$5,000
- Technology Reserve \$16,000
- Paving Town Roads Reserve \$610,713 (INCREASED \$126,638)
- Public Works Vehicle Reserve \$150,000
- Fire Rescue Vehicle Reserve \$240,000
- Contingency (Unplanned) \$20,000
- Revaluation Reserve \$15,000
- Conservation \$1,000

Article 21. To see if the Town will vote to raise and appropriate \$20,000 for Overlay for the purposes of granting tax abatements and any other tax errors. ***Budget Committee recommends approval.***

Article 22. To see if the Town will vote to authorize the Board of Selectpersons to transfer from the Town's unassigned fund balance an amount of \$5,198 for the purpose of funding the Property Tax Assistance Ordinance, \$7,500 for library dedicated donations that fell through to the General Fund and an amount not to exceed \$550,000 for the purpose of reducing the total amount authorized to be raised by taxation for the fiscal year 2024. ***Budget Committee recommends approval.***

- \$5,198 is the amount the Town paid out in FY 23 for the Tax Assistance Program.
- \$7,500 is the amount that was Library Dedicated Donations that mistakenly dropped through to the Unassigned Fund Balance and the Town would like to pull those out and put them in the Library Donation line for expenditure the way people wished the donations to be spent.
- \$550,000 is the amount of Unassigned Fund Balance that dropped through last year as excess funds for the Town that the Town would like to put towards reducing the total amount to be raised by taxation for FY 24.

Article 23. To see if the Town will vote to exceed the LD1 property tax levy limit. ***Budget Committee recommends approval.***

LD1 looks at the income growth for the State and the municipal growth and only allows us to increase our tax rate by the same percentage or less than the growth equals. This year we are under the LD1 limit with the proposed budget. However, this question is asked every year in case there is an emergency expense such as a fire in one of our municipal buildings or another unplanned/emergency event in Town.

Article 24. To see if the Town will vote to authorize the issuance of general obligation securities of the Town to finance costs of design, construction and equipping of an expansion of the Town Library, in an aggregate principal amount not to exceed \$1,400,000, **an additional \$550,000 from what was authorized FY23**, hereby authorized and appropriated, with such dates, maturities, denominations, interest rate(s) and other details (including provisions that the bonds may be subject to call for redemption with or without premium) as the Municipal Officers shall determine. This would be funded from raised and appropriated taxation.

Total estimated debt service of this bond issue or contract is \$1,754,546 of which principal is \$1,400,000 and estimated interest rates ranging from 4.27 – 4.77%, depending on the year of maturity, over 10 years is \$354,546.

Budget Committee does not recommend approval.

FINANCIAL STATEMENT

The issuing of bonds by the Town is one of the ways in which the Town borrows money for certain purposes. The following is a summary of the bonded indebtedness of the Town as of the date of this election.

Bonds Now Outstanding and Unpaid	\$ 6,881,672
Interest to be Repaid on Outstanding Bonds	<u>\$ 678,933</u>
Total to be Repaid on Bonds Outstanding	\$ 7,560,605
Additional Principal Amount of Bonds Authorized But Not Yet Issued	\$ 850,000
Total Maximum Additional Bonds to Be Issued if Approved	\$ 550,000
Estimate of Potential New Interest on Such Additional Bonds	<u>\$ 354,546</u>
Total Additional Bonds to Be Issued and Estimated Interest if Approved by Voters	\$ 1,754,546

When money is borrowed by issuing bonds, the Town must repay not only the principal amount of the bonds but also interest on the bonds. The amount of interest to be paid will vary depending upon the rate of interest and the years to maturity at the time of issue. The validity of the bonds and of the voters' ratification of the bonds may not be affected by any errors in the estimates made of the costs involved, including varying interest rates, the estimated cost of interest on the bond amount to be issued and the total cost of principal and interest to be paid at maturity.

EXPLANATION FOR LIBRARY BOND ARTICLE

Last year, voters approved funding for an expansion of the Library. This funding included use of the Stone Trust valued at \$150K and the authorization to purchase an \$850K bond. The total amount authorized was \$1M. Of that amount, \$130K has been committed to architectural and engineering fees. This leaves us a balance of \$870K to complete the project.

Over the past year, a group was formed – the Library Working Group, to review requirements and develop a recommended design. This has been completed and a rendering of this design is available to view in the Library.

Subsequently, the architect worked to refine the drawings and produce various documents. During this process, he discovered that due to inflation the total cost for the project had increased to \$1.4M. The architect is working to further refine this number prior to when the Select Board signs the Warrant on April 18th.

The main cost driver for this estimated cost increase is the installation of a HVAC system. The Library has no HVAC system now – just baseboard heating.

What this warrant article is asking is to increase the total amount of the bond to construct the Library from \$850K to \$1.4M – an increase of \$550K.