

TOWN OF GRAY
GRAY TOWN COUNCIL
AGENDA • APRIL 11, 2023

**Gray Town
Council Special
Meeting**

Town Council Chambers
24 Main Street, Gray, ME 04039
<https://us06web.zoom.us/j/82378285717>
Phone 646-558-8656 / Meeting ID: 82378285717

6:15 PM

I. ROLL CALL

II. ADJUSTMENTS TO THE AGENDA 5 MINS

III. PRESENTATION 6:20PM

1. FY 2024 Budget Presentation – Nathaniel Rudy, Town Manager 20 MINS

IV. PUBLIC HEARING 6:40PM

1. Public Hearing - To Receive public comment on the FY 2024 Municipal Budget. 20 MINS
2. Council discussion on public feedback to the FY 2024 Municipal Budget. 20 MINS

V. ACTION ITEMS 7:20PM

1. Review and make final changes to the FY 2024 Municipal Budget. 15 MINS

Proposed motion:

Ordered, the Gray Town Council recommends the FY 2024 Budget.

2. Review and finalize proposed Warrant Articles. 15 MINS

Proposed motion:

Ordered, the Gray Town Council approves the proposed Warrant Articles.

VI. COUNCIL DISCUSSION 7:50PM

1. Tax Flyer discussion 20 MINS

VII. ADJOURNMENT 8:10PM

** The Town of Gray is an equal opportunity employer and complies with all applicable equal access to public accommodations law. If you are planning to attend a Town Council or Town committee or board meeting and need assistance with a physical disability, please contact the Town Manager's office at*

least 48 hours in advance of the meeting to have the Town assist you. 657-3339. TTY 657-3931.

NATE RUDY,
TOWN
MANAGER

APRIL 11, 2023

NRUDY@GRAYMAINE.ORG

(207) 657 – 3339 X. 5

FY24 Municipal Budget Presentation

Town of Gray, Maine

Thank You!

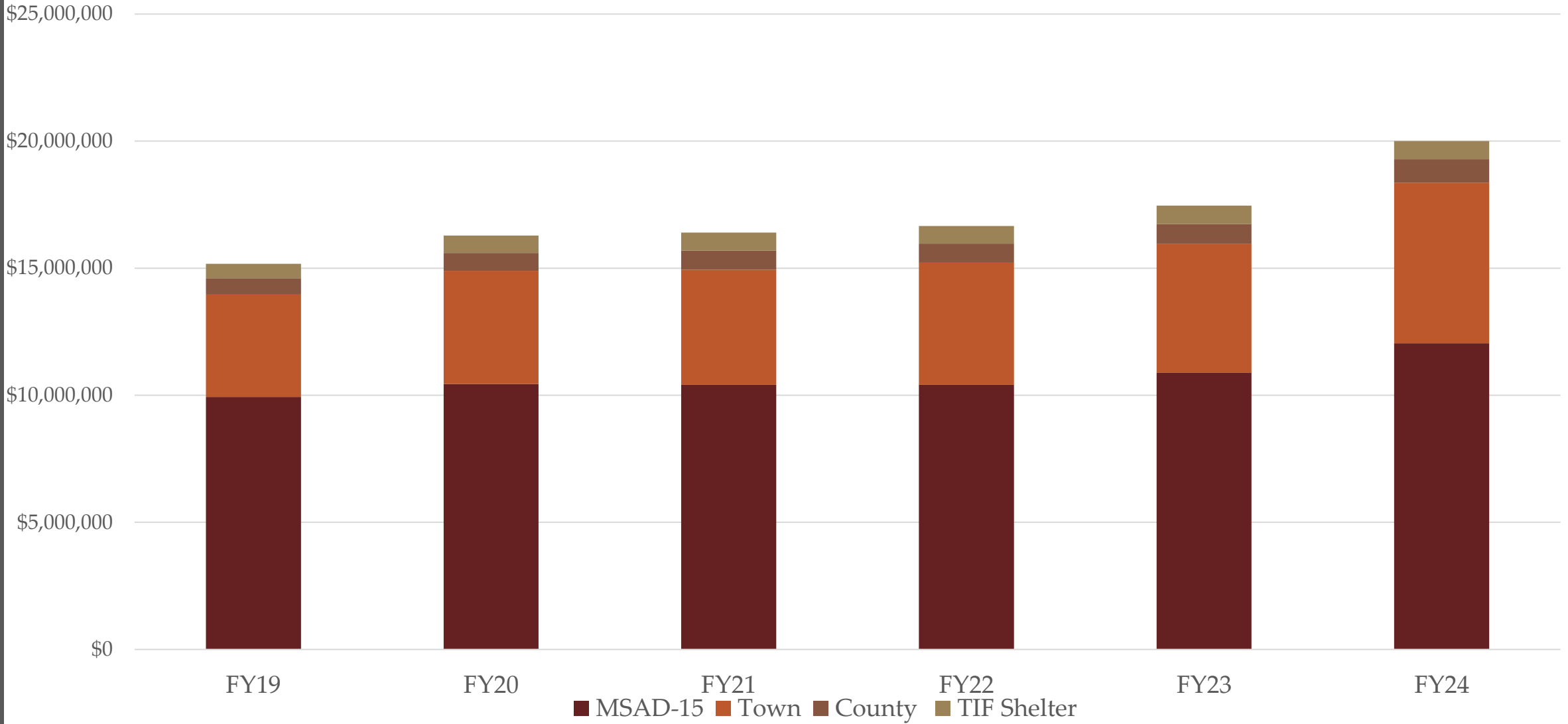
Many hands helped prepare this FY24 budget proposal. Thank you for your help and guidance:

- ❖ Gray Town Council
- ❖ Katie Johnston, Finance Director
- ❖ Lauren Asselin, Town Assessor
- ❖ Gray Department Heads and Program Lead Staff
- ❖ Gray Citizens and Advocates from Organizations Seeking Community Support Funds
- ❖ State of Maine (with special thanks to the Governor and Legislature for full restoration of the statutorily-mandated 5% state revenue sharing to local governments in FY23 and FY24)

Proposed FY24 Appropriations vs. Historic

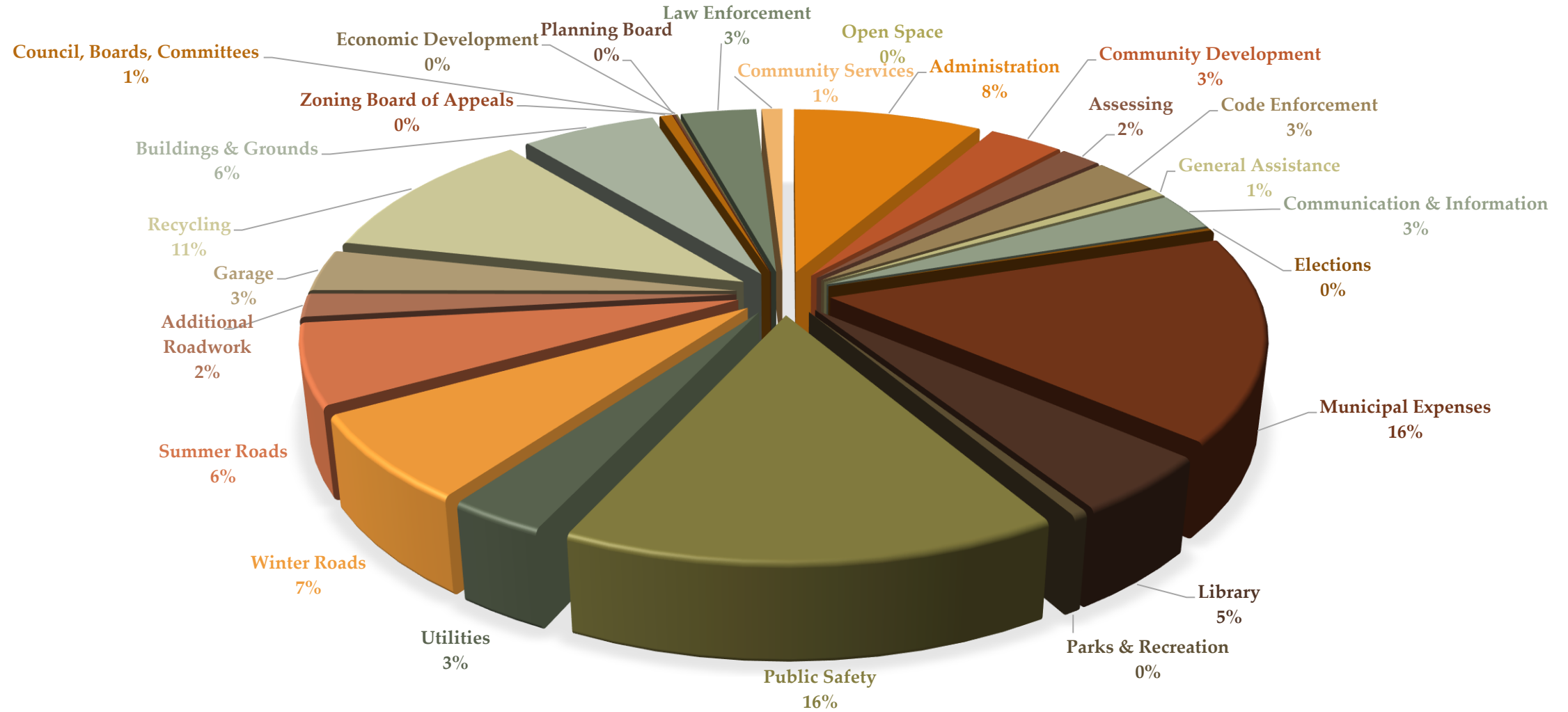
Fiscal Year	Tax Commitment Total	MSAD-15	% of Total	County	% of Total	Town	% of Total	TIF Shelter	% of Total
FY19	\$15,175,916	\$9,937,133	65%	\$644,903	4%	\$4,023,995	27%	\$569,885	4%
FY20	\$16,283,019	\$10,442,222	64%	\$705,647	4%	\$4,449,874	27%	\$685,276	4%
FY21	\$16,401,916	\$10,412,484	63%	\$756,334	5%	\$4,524,275	28%	\$708,823	4%
FY22	\$16,660,408	\$10,412,484	62%	\$752,213	5%	\$4,804,029	29%	\$691,682	4%
FY23	\$17,456,925	\$10,893,616	62%	\$792,460	5%	\$5,051,919	29%	\$718,930	4%
FY24	\$19,998,976	\$12,043,616	60%	\$918,022	5%	\$6,318,408	32%	\$718,930	4%

Proposed FY24 Appropriations vs. Historic

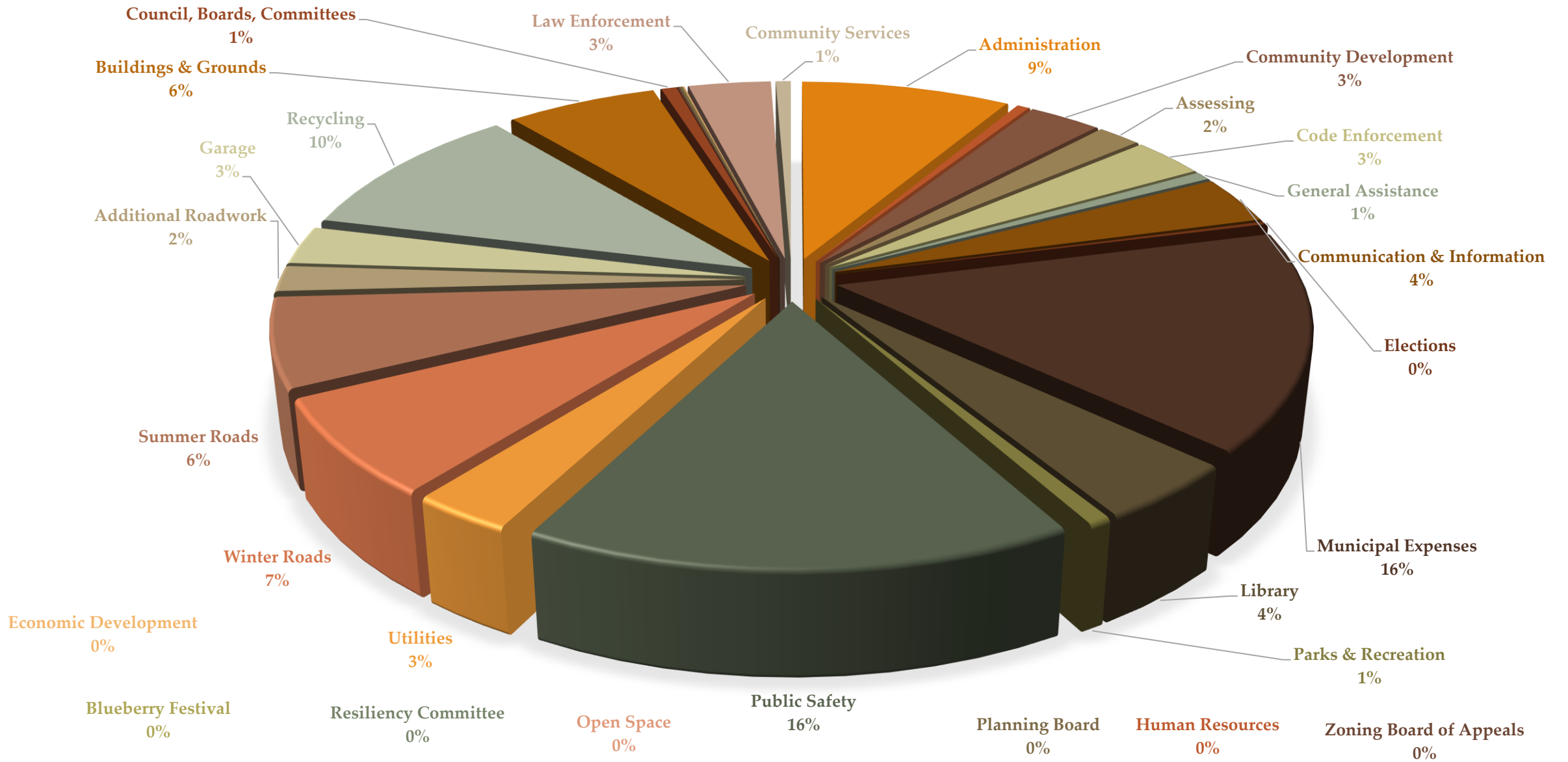


Expense Budget By Department	FY 2023			FY 2024		
	Increase/(Decrease)			Increase/(Decrease)		
	Original	Adjustment	FINAL	Proposed	vs Final FY 2023	
Administration	\$ 689,811	\$ 42,185	\$ 731,996	\$ 824,068	\$ 92,071	12.6%
Human Resources	\$ -	\$ -	\$ -	\$ 48,091	\$ 48,091	100.0%
Community Development	\$ 270,734	\$ 3,554	\$ 274,288	\$ 283,719	\$ 9,431	3.4%
Assessing	\$ 145,930	\$ 13,370	\$ 159,300	\$ 169,963	\$ 10,663	6.7%
Code Enforcement	\$ 233,895	\$ 7,577	\$ 241,472	\$ 286,333	\$ 44,862	18.6%
General Assistance	\$ 55,290	\$ -	\$ 55,290	\$ 59,486	\$ 4,196	7.6%
Communication & Information	\$ 246,013	\$ 9,154	\$ 255,167	\$ 338,824	\$ 83,657	32.8%
Elections	\$ 16,289	\$ -	\$ 16,289	\$ 20,159	\$ 3,870	23.8%
Municipal Expenses	\$ 1,336,687	\$ (141,350)	\$ 1,195,337	\$ 1,535,618	\$ 340,281	28.5%
Library	\$ 384,065	\$ 27,677	\$ 411,742	\$ 410,416	\$ (1,327)	-0.3%
Parks & Recreation	\$ 40,289	\$ -	\$ 40,289	\$ 64,356	\$ 24,067	59.7%
Public Safety	\$ 1,282,163	\$ (33,533)	\$ 1,248,630	\$ 1,529,858	\$ 281,228	22.5%
Utilities	\$ 252,564	\$ -	\$ 252,564	\$ 283,864	\$ 31,300	12.4%
Winter Roads	\$ 565,526	\$ 44,139	\$ 609,665	\$ 675,842	\$ 66,177	10.9%
Summer Roads	\$ 521,358	\$ 22,069	\$ 543,427	\$ 625,674	\$ 82,247	15.1%
Additional Roadwork	\$ 152,503	\$ -	\$ 152,503	\$ 180,500	\$ 27,997	18.4%
Garage	\$ 272,957	\$ 2,845	\$ 275,802	\$ 272,229	\$ (3,573)	-1.3%
Recycling	\$ 882,948	\$ 18,499	\$ 901,447	\$ 978,051	\$ 76,604	8.5%
Buildings & Grounds	\$ 491,424	\$ 27,853	\$ 519,277	\$ 592,650	\$ 73,373	14.1%
Council, Boards, Committees	\$ 43,015	\$ -	\$ 43,015	\$ 60,703	\$ 17,688	41.1%
Zoning Board of Appeals	\$ 1,700	\$ -	\$ 1,700	\$ 7,650	\$ 5,950	350.0%
Planning Board	\$ 7,025	\$ -	\$ 7,025	\$ 10,850	\$ 3,825	54.4%
Blueberry Festival	\$ -	\$ -	\$ -	\$ 1,000	\$ -	100.0%
Resiliency Committee	\$ -	\$ -	\$ -	\$ 1,000	\$ -	100.0%
Economic Development	\$ 6,680	\$ -	\$ 6,680	\$ 4,000	\$ (2,680)	-40.1%
Open Space	\$ 1,500	\$ -	\$ 1,500	\$ 1,500	\$ -	0.0%
Law Enforcement	\$ 274,591	\$ -	\$ 274,591	\$ 325,191	\$ 50,600	18.4%
Community Services	\$ 63,884	\$ -	\$ 63,884	\$ 59,025	\$ (4,859)	-7.6%
TOTAL GENERAL FUND EXPENSES	\$ 8,238,841	\$ 44,040	\$ 8,282,881	\$ 9,650,619	\$ 1,367,739	16.5%
TOTAL GENERAL FUND REVENUE	\$ 4,216,740		\$ 3,524,651	\$ 4,917,650	\$ 1,392,999	39.5%
TOTAL NET GENERAL FUND BUDGET	\$ 4,022,101		\$ 4,758,230	\$ 4,732,969	\$ (25,260)	-0.5%
Department	Original	Adjustment	FINAL	Proposed	vs Final FY 2022	
Capital Projects	\$ 2,455,000		\$ 2,000,000	\$ 2,791,356	\$ 791,356	39.6%
FY25 Capital Reserve Funding				\$ 350,000		
TOTAL CAPITAL RESERVE FUND EXPENSES	\$ 2,455,000		\$ 2,000,000	\$ 3,141,356	\$ 791,356	57.1%
TOTAL CAPITAL RESERVE FUND REVENUE	\$ 835,000		\$ 835,000	\$ 1,500,000	\$ 665,000	179.6%
TOTAL NET CAPITAL RESERVE FUND BUDGET	\$ 1,620,000		\$ 1,165,000	\$ 1,641,356	\$ 126,356	40.9%
TOTAL PROPOSED FY 2023 BUDGET	\$ 5,642,101		\$ 5,923,230	\$ 6,374,326	\$ 101,096	7.6%

FY23 TOWN BUDGET BY DEPARTMENT (%)



FY24 TOWN BUDGET BY DEPARTMENT (%)



Budget Item	FY23 Council Budget	FY23 % Incr. vs FY22	FY23 \$ Incr. vs FY22	FY24 Proposed Budget	FY24 Proposed \$ Incr. vs FY23
Market Rate and COLA Wage Adjustments	\$215,000	169%	\$208,175	\$ 308,686	\$ 93,686
Employee Medical Insurance	\$902,253			\$ 963,493	\$ 61,240
Transfer Station Tipping Fees	\$341,750	15%	\$43,680	\$ 393,793	\$ 52,043
IT Department Technical Support	\$27,153	-	-	\$ 68,057	\$ 40,904
Cumberland County Sheriff Contract	\$264,691	-	-	\$ 303,141	\$ 38,450
Public Works Road Salt	\$235,000	15%	\$30,000	\$ 273,000	\$ 38,000
GWD Hydrant Service Charge	\$224,064	5%	\$10,680	\$ 254,364	\$ 30,300
Private Roads Plowing/Sanding Contract	\$150,000			\$ 177,500	\$ 27,500
Sick and Vacation Time Payout	\$35,000	40%	\$10,000	\$ 50,000	\$ 25,000
Workers Compensation Insurance	\$97,698	322%	\$12,573	\$ 116,244	\$ 18,546
Staff Computers and Technology Updates	\$16,473	322%	\$12,573	\$ 34,300	\$ 17,827
Town Staff Personnel Development Program	\$0	-	-	\$ 17,750	\$ 17,750
Public Transportation System	\$0	-	-	\$ 15,000	\$ 15,000

Notable Expense Budget Increases FY24 vs FY23, with selected FY22 comparison (Increases over \$10,000)

Notable Expense Increases

- ❖ Projected increase in Gray's share of MSAD-15 budget
- ❖ Projected increase in Gray's payment to Cumberland County, including year one of a five-year increment for shifting their budget by six months, from a calendar to a fiscal year
- ❖ We propose to offer a Maine Public Employee Retirement System (MePERS) retirement plan to full time public safety department employees, to better attract and retain experienced Firefighter-Paramedics/EMTs (FF-PARA)
- ❖ Town-wide budget adjustments vs. FY23 have increased utilities and fuel cost line items
- ❖ Town-wide increase in use of legal services for increased code enforcement action and other complex legal matters
- ❖ Increased costs for Transfer Station tipping fees

Proposed
Market Rate
Wage
Adjustments
vs.
Comparable
Municipalities

In FY22 the Town Manager conducted a wage and benefit survey of twelve comparable municipal governments based on property tax valuation and population size

Town Manager wage analysis shows that 64% of full-time employees were being paid less than median wage of comparable municipalities

Interruptions to Town business continuity and service levels make staff recruitment and retention a top priority

The current “market” for top talent is very competitive and inflation has been extremely high in the past year

Town Manager recommends wage corrections over a two-year period starting in FY23, to bring wages to at least the median wage of comparable municipalities

Market Rate wage corrections are separate from cost-of-living adjustments (COLA) and performance-based incentives

Proposed Wage Corrections vs. Comparable Municipalities

- ✓ To help mitigate the mill rate implication of the increase, the Town Manager's proposed wage correction will be split over two fiscal years
- ✓ Total wage correction is an 8.1% increase over the current budgeted wages for the affected positions
- ✓ Town Manager compensation and Gray Firefighter's Union contract negotiated separately

Total Change	FY23 Increment Change	FY24 Increment Change
\$185,438	\$110,800	\$74,642
8.1%	4.8%	3.2%

Notable Expense Increases (continued)

- ❖ Two new FF-PARA positions that were added for half of FY23 are now budgeted for the full year in FY24
- ❖ Proposed two part-time Assistant Code Enforcement Officers to replace one full-time position (increases total work week by one workday equivalent, for increased service level)
- ❖ Proposed realignment of Public Works department administration to add a Public Services Administrator position that we hope to staff with a licensed Public Engineer (Future savings for engineering contracts)
- ❖ Addition of shared new position between Public Works and Buildings & Grounds
- ❖ Proposed new Town Clerk / AP-Payroll Clerk position

Notable Expense Increases (continued)

- ❖ Year Two of Two, Market Rate Competitive Wage Adjustments
- ❖ Increased Cost of Employee Medical Care Insurance
- ❖ Increased budget for professional development and skills training, to improve customer service, technical skills, and to maintain high performance standards
- ❖ Capital Improvement budget includes:
 - ❖ Increased road and bridge maintenance
 - ❖ Addressing extensive deferred maintenance to Town facilities
 - ❖ No heavy vehicles, but two new / replacement light vehicles
 - ❖ Information Technology systems maintenance, regular equipment replacement, and technical services including cyber-security audit
 - ❖ Bond debt service to include retirement of two current bonds and a new proposed bond for replacement of the Pennell facility septic system and expansion of the child-care program facilities at the Pennell Manual Arts Building

Capital Improvement Plan and Town Facility Use Study



Town of Gray contracted Port City Architecture to conduct a Facility Use Study of Town buildings (2021)



Short- and long-term repair / use recommendations will be part of multi-year CIP planning and budgeting



Reduced call company firefighter response has made Village Station a smaller part of GFR operations



Buildings & Grounds will move to Village Station; Recreation Program expanding into Manual Arts Building



Gray Fire and Rescue will consolidate vehicles and operations to Central Station and Dry Mills Stations



Other recommendations of the Facility Use Study are represented in the FY23 and FY24 CIP budgets

Notable Revenue Projections

- ❖ Town revenue budgets have been adjusted by the Finance Director to match anticipated performance
- ❖ State Revenue Sharing will decrease due to increased property values in Gray
- ❖ Town Planning staff are pursuing grant funding opportunities to offset costs for economic development / future growth planning for long-term fiscal responsibility investments
- ❖ Town Recreation Department is exploring ways to expand the capacity of our child-care program

Major Revenue Budget Changes FY24 vs. FY23 (over \$7,000)

Revenue Budget Item	FY 2023 Budget	FY 2024 Proposed Budget	% Change	\$ Change
State Revenue Sharing	\$1,123,991	\$980,970	-13%	-\$143,021
Building Permit Fees	\$155,000	\$75,000	-52%	-\$80,000
Cable Franchise Fees	\$98,000	\$50,000	-49%	-\$48,000
Rescue Service Fees	\$285,000	\$260,000	-9%	-\$25,000
Boat Excise Tax	\$23,500	\$10,000	-57%	-\$13,500
Planning Board Fees	\$13,500	\$5,000	-63%	-\$8,500
Plumbing Permits	\$32,000	\$25,000	-22%	-\$7,000
Bottle Redemption	\$7,000	\$8,000	14%	\$1,000
Animal Control Officer Fees	\$25,000	\$30,000	20%	\$5,000
MeDOT Local Road Assistance Program	\$135,000	\$145,000	7%	\$10,000

LD 1 Summary

- ❖ In 2004, Maine passed the municipal “expenditure cap” known as “LD 1”. Under this statute, the annual percent increase in the municipal (non-school and non-county) property tax levy is subject to a maximum cap based on both a statistical income growth percentage established by the state, as well as a property growth limit calculated using the municipality’s valuation information provided by the Town’s Assessor
- ❖ This cap only applies to the Town’s portion of the budget—there is no cap on School or County budgets
- ❖ Any expenditures above the cap require additional approval by the Town voters for the budget to pass
- ❖ Given the number of years LD 1 has been in effect and the fluctuation of State Revenue Sharing, the cap needs to be lifted almost every year in conjunction with the approval of new budgets, regardless of any changes in local spending

Preparing for Gray's Future: Staffing, Training, Resiliency, and Resourcefulness

- ❖ Director of Human Resources developing team skills, management, and leadership curriculum for enhanced professional development and training support for all Town staff
- ❖ Continuity Planning across all departments to focus on resiliency, cross-training, disaster recovery, and succession planning for Assistant Department Heads including Foremen and Public Safety Officers
- ❖ Town Clerk's office proposes another Assistant Clerk to help with Customer Service, Accounts Payable/Payroll processing, Administrative Assistance, and assistance to the Recreation Program
- ❖ The fully funded, full-time Firefighter/EMS employees continue to help Gray Fire and Rescue respond to higher call volume and less dependence on per-diem and call firefighters
- ❖ A new Public Services Administrator position will replace the Director of Public Works, serve as PW Department Head, and begin learning how the Transfer Station is managed as part of continuity planning initiative
- ❖ A new Light Equipment Operator position will drive a plow truck in the winter and assist Buildings & Grounds with new recreational facilities in the summer

Implementing the 2020 Comprehensive Plan

- ✓ Town staff are focused on implementing goals of the 2020 Comprehensive Plan and priorities set by Town Council
- ✓ Council seeks flexibility on possible strategic real estate negotiations related to infrastructure and open space
- ✓ Council seeks flexibility on investing TIF funds in planning, design, and engineering for Yarmouth Road and Gray Village
- ✓ FY23 and FY24 budget appropriations for Planning Department contracted services will help with ordinance revisions and project management

Gray Comprehensive Plan September 15, 2020



Planning for Gray Village

FY24 budget appropriations include continued funding for Planning Department contracted services such as planning, design, and engineering

Planning staff, Public Works, and Town Council are working with the Town Manager and the Maine Department of Transportation on road construction projects on Yarmouth Road / Route 115 and Main Street / Route 100 that started in FY23 and will continue into FY24 and beyond

Gray began a public engagement effort in the summer of 2022, hosting an open design studio and a Community Block Party at Pennell. Two hundred Gray citizens participated in a community-driven design of Town-owned property in Gray Village, the Main Street streetscape, and bike-ped amenities to connect residents and citizens with businesses and other community resources

Our goal is to invest in Gray Village as a place that attracts new business and real estate investment, creates a vital center for public life, and meets other community needs

Conclusion

- ❖ Gray's local government proposes thoughtful staff expansions to maintain public service levels and manage future growth
- ❖ Without fiscally-responsible, sustainable growth and development of the tax base, the cost of Town business to current property taxpayers will increase over time
- ❖ Thoughtful investments in future growth and development planning are a pathway to long-term financial stability and managing property tax fluctuations and increases
- ❖ Town staff is aligned around implementing the development goals laid out in the 2020 Comprehensive Plan
- ❖ Gray is unlocking tremendous potential for fiscally responsible, smart growth that will keep the town vital, safe, and prosperous

Nate Rudy, Town Manager

nrudy@graymaine.org

(207) 657 – 3339 x. 5

QUESTIONS AND COMMENTS?

TOWN OF GRAY
JUNE 13, 2023
ANNUAL TOWN MEETING WARRANT

Cumberland, SS.

State of Maine

To Britt Barton, Town Clerk of the Town of Gray

Greetings:

In the name of the State of Maine, you are hereby required to notify and warn the voters of the Town of Gray in said County and State, qualified by law to vote in Town affairs, to meet at Newbegin Center on Route 100/Lewiston Road in Gray, Maine on Tuesday, June 13, 2023, at 8:00 AM, then and there to act upon Article 1. The polls for voting for public officials and on Articles 2 through 14 shall open at 8:00 AM and close at 8:00 PM.

Article 1. To choose, by ballot, a Moderator to preside at said Annual Town Meeting.

To choose by secret ballot the following public officials:

1. Voting two members of the Town Council to serve a three-year term until June 2026.
2. Voting for two members of the MSAD #15 Board of Directors to serve three-year terms until June 2026.
3. Voting for one member of the MSAD #15 Board of Directors to serve a remaining two-year term until June 2025.
4. Voting for one member of the Gray Water District Trustee to serve a five-year term until June 2028.

To decide by secret ballot the following Budget Articles:

Article 2. Shall the Town vote to accept revenue and any Federal, State, and other sources of revenue and to appropriate the same to help fund the total Municipal Budget for FYE 2024 (detailed below) as recommended by the Town Council?

Article 3. Shall the Town vote to raise and appropriate \$12,791,975 to fund the FYE 2024 Municipal Budget, as recommended by the Town Council?

(Administration: Clerk, HR, Elections, GA, Finance, Code Enforcement, Assessing, Planning, Comm. & Info. Tech.)	\$2,030,643
Municipal Expenses	\$4,676,974

Library and Parks & Recreation	\$474,772	
Public Safety/Street Lights	\$1,813,722	
Public Works	\$3,324,946	
Council (legal), Boards and Committees	\$86,703	
Law Enforcement	\$325,191	
Community Service Agencies	\$59,025	
Total Budget FYE 2024		\$12,791,975

(Fiscal Note: If passed, **this article shall only be effective if the voters also pass Article 12** below to increase the so-called LD 1 property tax levy limit.)

Article 4. Shall the Town vote to raise and appropriate \$10,500 for Town Council compensation for FYE 2024, as recommended by the Town Council?

(Note: This appropriation must be voted on as a separate article, pursuant to Art. II, Sec. 6 of the Town Charter.)

Article 5. Shall the Town vote to appropriate \$3,141,356 from the Capital Reserve Fund for FYE 2024, for the following Capital Projects, as recommended by the Town Council?

Road Resurfacing	\$710,000	
Bridge Repair and Replacement	\$121,000	
Parks and Recreation	\$10,000	
Fire & Public Safety	\$0.00	
Public Works, Town Vehicles & Equipment	\$148,000	
Public Buildings	\$134,600	
Technology	\$162,642	
Library	\$18,000	
Debt Service	\$1,347,114	
Land Acquisition	\$50,000	
FY25 Capital Project Reserve	350,000	
Professional Services	\$90,000	
Total Capital Projects FYE 2024		\$3,141,356

Article 6. Shall the Town vote to appropriate from the TIF Revenue Fund and authorize the Town Council to expend TIF Revenue in an amount not to exceed \$626,753 for Gray Village and related road construction and

utilities planning, design, and engineering; stormwater/wastewater systems feasibility studies; and construction of sports fields to supplement Douglass Field, all in accordance with the TIF District Development Program documents, as recommended by the Town Council.

- Article 7. Shall the Town vote to accept and appropriate for their designated purposes all the various Town “enterprise account” funds (*e.g.*, nonmajor special revenue funds, recreation enterprise funds) for FYE 2024, as recommended by the Town Council?
- Article 8. Shall the Town vote to place funds received from the disposition of Town-owned personal property with a value of \$100,000 or less in the Capital Reserve Fund, and to appropriate the same for capital projects, as recommended by the Town Council?
- Article 9. Shall the Town vote to accept all funds generated by donations and fund-raising activities on behalf of the Town’s Recreation Department, the Dry Mills Schoolhouse, the Gray Public Library Association, the Gray Fire Rescue Association, and various Town Committees, and to appropriate the same for their intended purposes, as recommended by the Town Council?
- Article 10. Shall the Town vote to authorize the payment of tax abatements, including any interest due thereon, from the property tax overlay or, if necessary, from the unassigned fund balance, as recommended by the Town Council?
- Article 11. Shall the Town vote to authorize the Town Council to accept and appropriate funds on behalf of the Town, federal, state, and private funds received in the form of grants or gifts during the period from July 1, 2023, through June 30, 2024, as recommended by the Town Council?
- Article 12. Shall the Town vote to increase the Town of Gray’s property tax levy limit established for FYE 2024 by State law to \$860,032 in the event that the municipal budget approved under the preceding articles will result in a tax commitment that is greater than that property tax levy limit, as recommended by the Town Council?

(Approval of the Municipal Budget requires approval of this Article.)

- Article 13. Shall the Town vote to authorize the transfer of up to \$417,000 from the Unassigned General Fund Balance into the Land Acquisition Fund, provided that in no event shall the Unassigned General Fund Balance be

reduced as a result of such transfer to a level less than 2/12 of the Town's Net Assessment for Commitment; and authorize the transfer of up to an amount in excess of 3/12 of the Town's unassigned general fund balance at June 30, 2023 to the Capital Reserve Fund; and to appropriate up to said amounts from the Land Acquisition Fund and Capital Reserve Fund for costs associated with infrastructure improvements and acquisition of land necessary to achieve the open space and Gray Village development goals identified in the Town's Comprehensive Plan and the Gray Village Master Plan as the Town Council deems to be in the Town's best interest?

Article 14. Shall the Town vote to authorize the issuance of up to \$850,000 in general obligation bonds or notes of the Town to pay and/or reimburse the cost of improvements to the septic system that services multiple buildings on the Pennell Complex and the construction of additional public facilities and programmatic space for the Town Recreation Department and child-care program in the Manual Arts building, said bonds and notes hereby authorized and the proceeds thereof hereby appropriated for said purpose, with the details of such bonding (including provisions that the bonds may be prepaid or subject to call for redemption with or without premium) to be determined by the Town Council?

(Fiscal Note: Total estimated debt service of this bond issue is approximately \$983,152.91, of which principal is \$850,000 and estimated interest at 5.05% over five years is \$133,152.91.)

FINANCIAL STATEMENT—TOWN OF GRAY: The issuance of bonds by the Town of Gray (the "Town") is one of the ways in which the Town borrows money for certain purposes. The following summary of the bonded indebtedness of the Town of Gray is as of the date of this Special Town Meeting:

Bonds Now Outstanding and Unpaid	\$ 5,612,130
Interest to be Repaid on Outstanding Bonds	\$ 1,137,870
Total to be Repaid on Bonds Issued	\$ 6,750,000
Additional Bonds Authorized But Not Yet Issued	\$ 0
Total Additional Bonds to be Issued if Approved by Voters	\$ 850,000.00
Estimated of Potential New Interest	\$ 133,152.91
Total Additional Bonds to Be Issued and Estimated Interest if Approved by Voters	\$983,152.91

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.

The Registrar of Voters is available to accept new registrations and corrections to the voter list at the Municipal Offices at the Henry Pennell Municipal Complex, 24 Main Street in Gray. The Municipal Offices are open Mondays, Tuesdays, and Wednesdays 8:30AM - 4:00PM, and Thursdays 11AM – 6:30PM and Fridays, 8:30AM – 12:00 noon. Proof of residency and identity is required. A person who is not registered is not eligible to vote in the Annual Town Meeting.

Municipal Officers of Gray, Maine _____
Dated at Gray
This 18th day of April, 2023

A true copy.

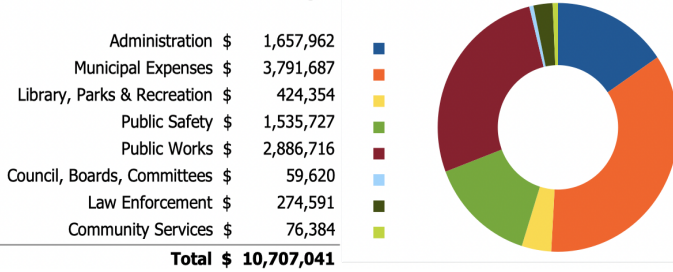
Attest: _____
Judy Rand, Resident of Gray

Attest: _____
Deputy Town Clerk

The warrant and sample ballots shall be posted in the Town offices at least 7 days prior to the election.

Budget Summary

General Fund Expense Budget



In April 2022 the State notified the Town our “certified ratio” was finalized and is below the required 100% threshold. For citizens to qualify for 100% of the State Homestead and Veteran tax exemptions the Town must reevaluate property. The combined value of all property in Gray has increased, but not all property increases at the same rate. Property taxes may increase, stay the same, or even go down based on the combination of the revaluation and the MILL rate. As a result of this revaluation, the current MILL rate may go down even with the proposed budget increase. The final numbers for individual properties should be available in July or August.

The General Fund budget (day-to-day operations) is up 4%.

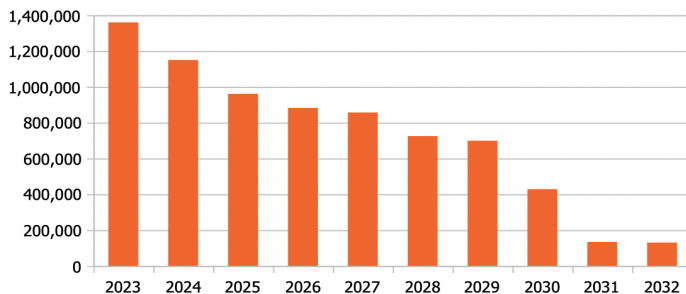
The Capital Improvements Plan (CIP) spending is up 28%. Money from our TIF accounts and the Federal “American Rescue Plan Act” (ARPA) is being transferred to help pay for these capital improvements, **reducing the need for more local property taxes.**

Additional unexpected revenue in FY 2022 from the State and other sources reduces the overall budget increase to 10%.

Two additional Firefighters start in January 2023. Fewer volunteers and increased call volumes in our growing town means paid personnel are working overtime to fill the coverage gaps. The new positions will reduce overtime costs, burn out, and in a tight labor market, help us retain the experienced people we have.

Public forums for the Village Gateway project (Hamilton property), Yarmouth Rd reconstruction, Pennell Complex repairs, Village and Main Street project planning, for possible traffic pattern changes as well as improvements for pedestrians and bicyclists, will be coming this year.

Debt Service Payments



70% of Gray's current debt will be repaid in the next 10 years.

Bond Rating The Town has excellent bond ratings allowing us to borrow at lower interest rates. **AA+** from Standards & Poor's, their 2nd highest rating, **Aa2** from Moody's, their 3rd highest rating. Gray attained these due to “good financial polices and practices” and “low overall debt”.

Warrant Articles (in the order they appear on the ballot)

Article 1 Is reserved for electing a moderator at Town Meetings and does not appear on the ballot.

Article 2 Gives the Town permission to accept Federal, State & other revenue to help fund the FY 2023 budget. **Article 2 must pass for budget to pass.**

Article 3 The Town is required to present the budget on the ballot in the 8 categories shown in the chart to the left.

Article 4 Our Charter, Art. II, Sec. 6 requires a separate ballot question to raise \$10,000 for Council compensation. Last increased 21 years ago.

Article 5 Shall the Town vote to appropriate \$4,146,697 from the Capital Reserve Fund? The 5 largest expenditures are: **Debt** \$1,359,262. **TIF Projects** \$1,115,000. **Public Buildings** \$564,550. **Paving** \$511,650. **Fire & Public Safety** \$312,935. (see pg 4 for the complete project list)

Article 6 The Town may accept and spend, for specific purposes, money from dedicated accounts. This includes fees raised by the Recreation Dept., from permits, etc.

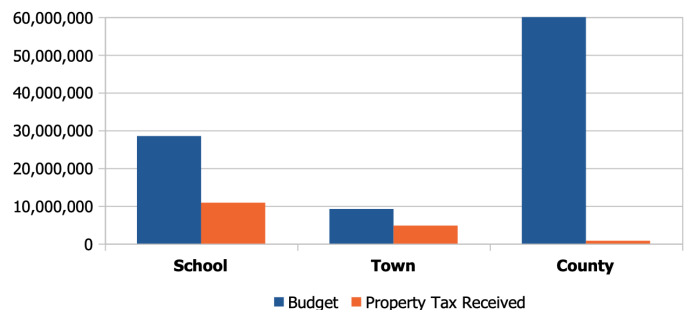
Article 7 Puts money from the sale of Town vehicles, equipment, etc. during FY 2023 valued at \$100,000 or less into the Capital Reserve Fund.

Article 8 Allows gifts & donations from Rec. Dept, Library, Fire/Rescue Assoc. & other sources to be spent for the intended purposes.

Article 9 Allows the Town Council to make tax abatement payments.

Article 10 Shall the Town's property tax levy limit, set by the State be increased by \$1,010,088 for the purpose of funding the FY 2023 budget? In 2004 Maine passed the “Municipal Expenditure Cap” known as “LD1”. The State calculates caps from data provided by the Town Assessor. The cap only restricts growth in municipal taxes, there is no growth restriction on school or county taxes. **Article 10 must pass for budget to pass.**

Where Does Our Property Tax Go?



America Rescue Plan Act (ARPA) is a Federal program to provide additional relief to address the continued impact of COVID-19 on the economy, public health, state and local governments, individuals, and businesses. **The Town received a total of \$868,000. We've spent \$33,845 so far and set aside \$784,115 for future use.**

Yarmouth Rd/Route 115 reconstruction next steps in FY 2023. We have surveyed and mapped the extent of ledge under the road. Right of way and easement work will begin. **We have applied to Maine's Department of Transportation (MDOT) for a \$625,000 grant to help pay for this project.**

Our Open Space Plan is in place and with the Royal River Conservation Trust's announcement of their private purchase of a new 147 acre preserve abutting Libby Hill Forest, we are making progress on our “Comp Plan” goal to preserve more of Gray's undeveloped spaces.

Town of Gray • Proposed Municipal Budget Guide • FY 2023 (July 1, 2022 – June 30, 2023)

	General Fund Expenses	FY '22 Voter Approved Budget	FY '23 Proposed Budget	FY' 22 vs FY' 23 Difference	% Change for each line item	% of Total FY' 23 Budget
1	Administration					
2	Administration \$	622,149	689,811	67,662	10.9%	6.4%
3	Community Development \$	231,827	270,734	38,907	16.8%	2.5%
4	Assessing \$	142,097	145,930	3,833	2.7%	1.4%
5	Code Enforcement \$	202,331	233,895	31,564	15.6%	2.2%
6	General Assistance \$	27,698	55,290	27,592	99.6%	0.5%
7	Communication & Information \$	204,230	246,013	41,783	20.5%	2.3%
8	Elections \$	14,211	16,289	2,078	14.6%	0.2%
9	Totals \$	1,444,543	1,657,962	213,419	14.8%	15.5%
10	Municipal Finances					
11	General & Medical Insurance \$	1,082,679	1,086,687	4,008	0.4%	10.1%
12	Annual Wage Adjustments \$	80,000	215,000	135,000		2.0%
13	Vacation & Sick Time Accrual \$	25,000	35,000	10,000	40.0%	0.3%
14	Capital Reserve Project Expense (CIP) \$	1,765,000	2,455,000	690,000	39.1%	
15	Totals \$	2,952,679	3,791,687	839,008	28.4%	35.4%
16	Library, Parks & Recreation					
17	Library \$	328,633	384,065	55,432	16.9%	3.6%
18	Parks & Recreation \$	38,020	40,289	2,269	6.0%	0.4%
19	Totals \$	366,653	424,354	57,701	15.7%	4.0%
20	Public Safety					
21	Public Safety \$	1,111,202	1,283,163	171,961	15.5%	12.0%
22	Utilities \$	239,184	252,564	13,380	5.6%	2.4%
23	Totals \$	1,350,386	1,535,727	185,341	13.7%	14.3%
24	Public Works					
25	Winter Roads \$	518,950	565,526	46,576	9.0%	5.3%
26	Summer Roads \$	492,359	521,358	28,999	5.9%	4.9%
27	Additional Roadwork \$	157,503	152,503	-5,000	-3.2%	1.4%
28	Garage \$	240,124	272,957	32,833	13.7%	2.5%
29	Recycling \$	825,698	882,948	57,250	6.9%	8.2%
30	Buildings & Grounds \$	445,642	491,424	45,782	10.3%	4.6%
31	Totals \$	2,680,276	2,886,716	206,440	7.7%	27.0%
32	Council, Boards, Committees					
33	(a) Council, Boards, Committees \$	40,715	43,515	2,800	6.9%	0.4%
34	Zoning Board of Appeals \$	1,700	1,750	50	2.9%	0.0%
35	Planning Board \$	4,475	7,025	2,550	57.0%	0.1%
36	Economic Development \$	8,950	5,830	-3,120	-34.9%	0.1%
37	Open Space \$	1,000	1,500	500	100.0%	0.0%
38	Totals \$	56,840	59,620	2,780	4.9%	0.6%
39	Law Enforcement					
40	Law Enforcement \$	288,081	274,591	-13,490	-4.7%	2.6%
41	Totals \$	288,081	274,591	-13,490		2.6%
42	Community Services					
43	Community Services \$	32,075	76,384	44,309	138.1%	0.7%
44	Totals \$	32,075	76,384	44,309	138.1%	0.7%
45	General Fund Expense Budget \$	9,171,533	10,707,041	1,535,508	16.7%	
46	General Fund Revenue (-) \$	3,524,651	4,216,740	692,089	19.6%	
47	Capital Reserve Fund Revenue (-) \$	500,000	835,000	335,000	67.0%	
48	Combined Revenue \$	4,024,651	5,051,740	1,027,089	25.5%	
49	Total Raised from Property Taxes \$	5,146,882	5,655,301	508,419	9.9%	

50 (a) The Charter requires the Council's stipend of \$10,000 be voted on separately (Warrant Article 4) from the Expense Budget.

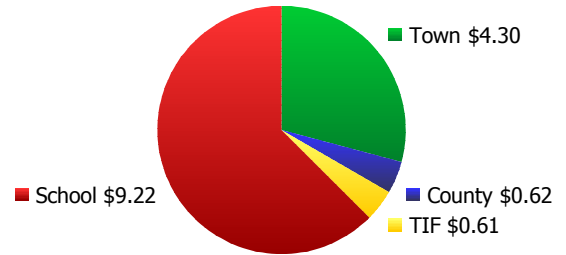
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General Fund Revenue

				FY 2022	FY 2023
	Accounts	Description		Budget	Budget
1	01-100 to 01-104	Clerk Fees *	\$	43,200	50,750
2	01-105 to 01-145	Planning Dept / CEO Fees *	\$	188,350	212,350
3	01-150	Dog Control	\$	4,000	1,500
4	01-151	Public Communications	\$	0	0
5	02-010	Auto Excise Tax	\$	1,825,000	1,875,000
6	02-015	Boat Excise Tax	\$	21,222	23,500
7	02-041	Cable Franchise Fees	\$	102,000	98,000
8	02-200	Interest-General Fund	\$	25,000	25,000
9	02-201	Interest on Delinquent Taxes	\$	50,000	60,000
10	02-850	Payment Rebates	\$	0	0
11	02-900	Miscellaneous Revenue	\$	10,000	10,000
12	03-066	Lost Book	\$	1,030	0
13	03-067	Library Fines	\$	3,000	0
14	04-055	Rescue Fees	\$	270,000	290,500
15	05-039	Gravel Pits	\$	1,100	1,500
16	05-048	Driveway Opening	\$	5,500	6,500
17	05-066	Tree Removal	\$	4,500	6,500
18	05-078 to 05-097	Transfer Station Fees & Income *	\$	116,500	176,800
19	06-049	Shore-land Application Fee	\$	4,000	4,000
20	06-053	Junkyard Fees	\$	50	50
21	06-370	Zoning Board Applications	\$	500	2,000
22	06-380	Planning Board Fees	\$	12,500	13,500
23	06-862	Blueberry Festival	\$	4,200	4,200
24	11-005	DOT Local Roads	\$	135,000	135,000
25	11-008	GA Reimbursement	\$	10,000	31,675
26	11-060	State Revenue Sharing	\$	656,894	1,123,991
27	11-061	Snowmobiles	\$	3,000	3,000
28	11-062	Tree Growth	\$	21,700	25,000
29	11-063	Veterans Reimbursement	\$	5,005	4,524
30	11-067	Animal Waste Facility	\$	900	900
31	Transferred from	Recreation Enterprise Fund	\$	0	30,000
31	Transferred from	Henry Pennell Mncpl Cmplx Fund	\$	500	1,000
32		Total General Fund Revenue	\$	3,524,651	4,216,740
		Projected Capital Reserve Fund Revenue			Projected
				Budget	Budget
		Description		FY 2022	FY 2023
33		Unassigned Fund Balance		500,000	835,000
34		Village TIF Transfer	\$	75,000	120,000
35		Route 100 TIF Transfer	\$	245,410	995,000
36		Total Capital Reserve Fund Revenue	\$	820,410	1,950,000
		TOTAL PROPOSED CAPITAL RESERVE FUND REVENUE	\$	4,345,061	6,166,740
		* This figure is the total of multiple accounts in this department.			

Budget and Project Highlights

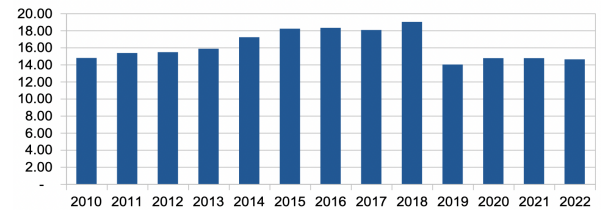
Current MILL Rate Breakdown



Gray is growing. Since 2018 we've added 253 homes and our tax base has increased 50%. Work has started on the zoning changes outlined in our new Comprehensive Plan. The changes will increase housing density in some zoning districts while protecting the natural resources, open spaces and rural character of our Town in other zones.

The Council approved a permanent weight limit on Mayall Road from Depot Road to Yarmouth Road/Rte 115, to keep heavy trucks off this recently rebuilt section of Town road and onto the State maintained Yarmouth/Rte 115 and Depot Roads. A weight limit may be set for Shaker Road from the Village to the By-Pass. This will help keep truck traffic out of the Village. Weight limits do not prevent trucks from making deliveries or local businesses from using these roads.

MILL Rates 2010 - 2022



A Revaluation in 2019 Lowered the MILL Rate.

Wilkie's Beach boat ramp repairs We have reapplied for a grant we were not awarded last year. Whether or not we receive this grant we will replace the ramp in FY 2023, before it becomes unusable, and fix other erosion and stormwater problems to protect the water quality of the lake.

The Village Green Park was completed this past year.

A new playground was installed at the Pennell complex.

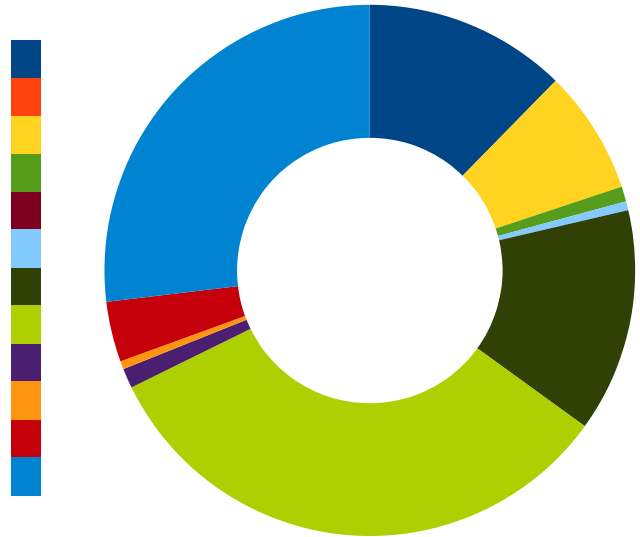
13 acres of open space was given to the Town for recreational uses as a part of the Stillwater Pines residential open space sub division being built on Woodcock Rd.

Working with GNG ATV Club volunteers the Town received a grant to rebuild the trails that run from Gray Plaza, through the Meadows to Long Hill road.

An MOU between Town, MSAD15 and Gray Community Endowment was signed this year. This preliminary "Memorandum of Understanding" (MOU) defines the roles, responsibilities and funding each organization provides to help maintain Libby Hill. Deed and ROW work begins in FY '23.

FY 2023 Proposed Capital Expenditures

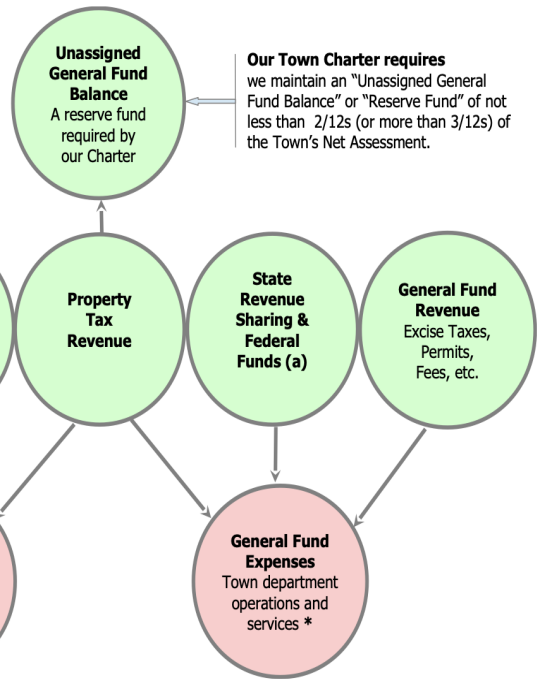
Road Resurfacing	\$	511,650	12.3%
Bridge Repair & Replacement	\$	0	0.0%
Fire & Public Safety	\$	312,935	7.9%
Public Works, Town Vehicles & Equipment	\$	38,000	0.9%
Sidewalks (a)	\$	0	0.0%
Technology	\$	22,800	0.5%
Public Buildings, Maint., Equipment, Reserve	\$	564,550	13.6%
Debt Service, Bonds & Leases	\$	1,359,262	32.8%
Land Acquisition	\$	50,000	1.2%
Parks & Recreation	\$	20,500	0.5%
Professional Svcs, Engineer, Research, Legal	\$	152,000	3.7%
TIF Projects, Planning, Engineering, Materials	\$	1,115,000	26.9%
Total FY 2023 Capital Projects	\$	4,146,697	100.0%



(a) Sidewalk repair and construction is part of other larger infrastructure projects.

Revenue and Expense Accounts

Borrowing from the "Unassigned General Fund Balance" (or "Reserve Fund") can only be authorized by the voters. Borrowed money must be repaid to the fund within 5 years. The Reserve fund was last used to help purchase our ladder truck. The FY 2022 budget includes money to finish repaying the Reserve Fund a year earlier than required by our Town Charter.



Our Town Charter requires we maintain an "Unassigned General Fund Balance" or "Reserve Fund" of not less than 2/12s (or more than 3/12s) of the Town's Net Assessment.

- * A complete listing of all the components of these revenue and expense funds can be found in the budget at www.graymaine.org/budget
- TIF:** This is a State program that allows revenue from increasing property values to be set aside and used for public infrastructure projects.
- Northbrook TIF:** Helped create the Northbrook Business Park.
- Rte 100 – So. Gray TIF:** Originally created to replace and extend a water main down Rte 100. It was expanded and redefined in 2020 to allow for the reconstruction of Yarmouth Rd.
- Village TIF:** A fund to repair, improve and replace roads, intersections, sidewalks and underground utilities in the Village and roads leading to and from the Village.
- PB Escrow:** The Planning Board escrow accounts contain money from developers to guarantee the completion of projects.
- Landfill:** This is a fund to maintain our capped landfill off Seagull Drive.
- Sub-D Rec:** Subdivision Recreation account a fees to be used to construct recreational projects in town.
- Gravel Pits:** This fund is to help reclaim gravel pits when they close.
- PW & PS vehicles:** Public Works and Public Safety vehicles that have an expected useful life of 15, 20 years or more.