

# CITY OF GARDINER, MAINE

– INCORPORATED 1849 –

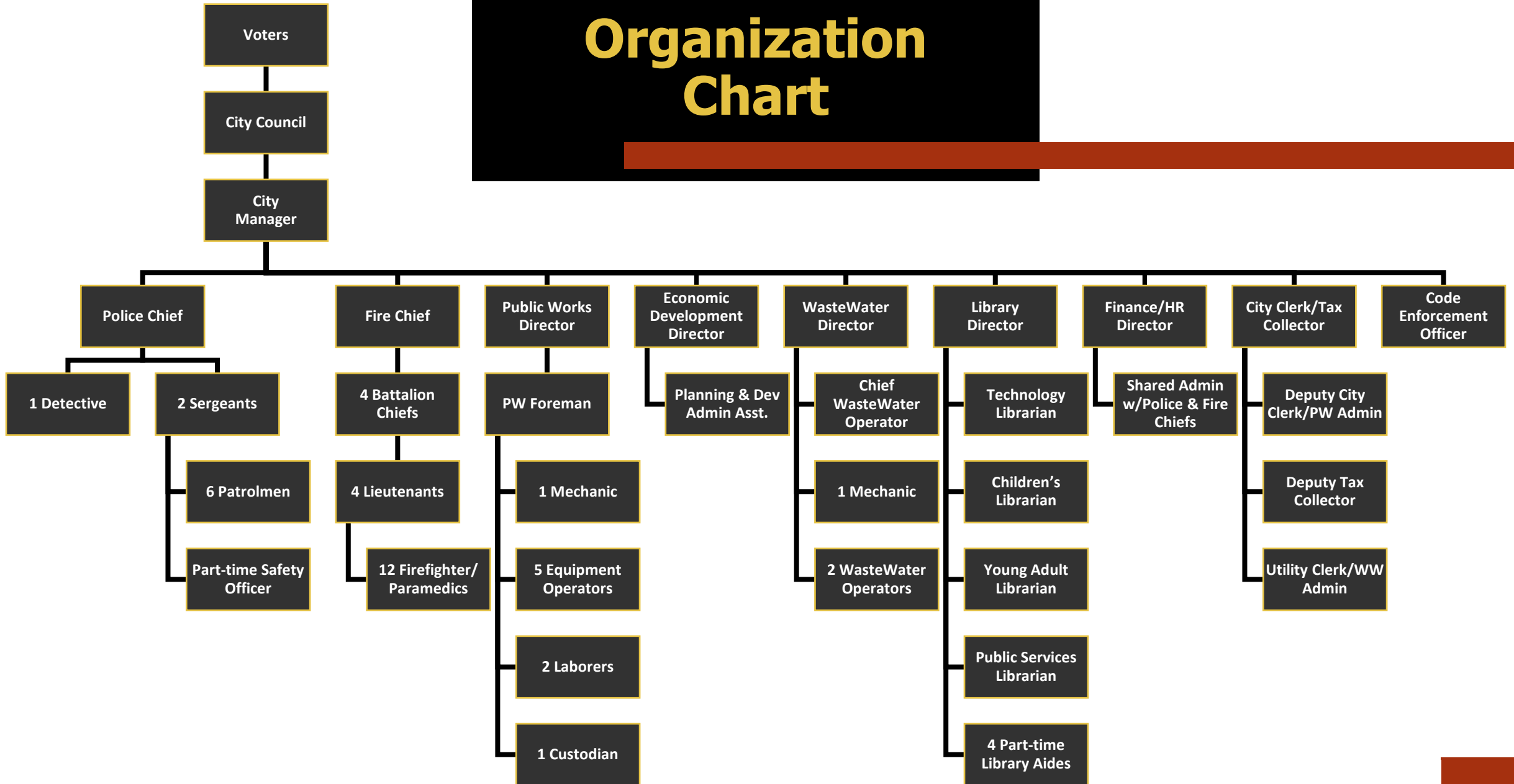
## FY26 Proposed Budget

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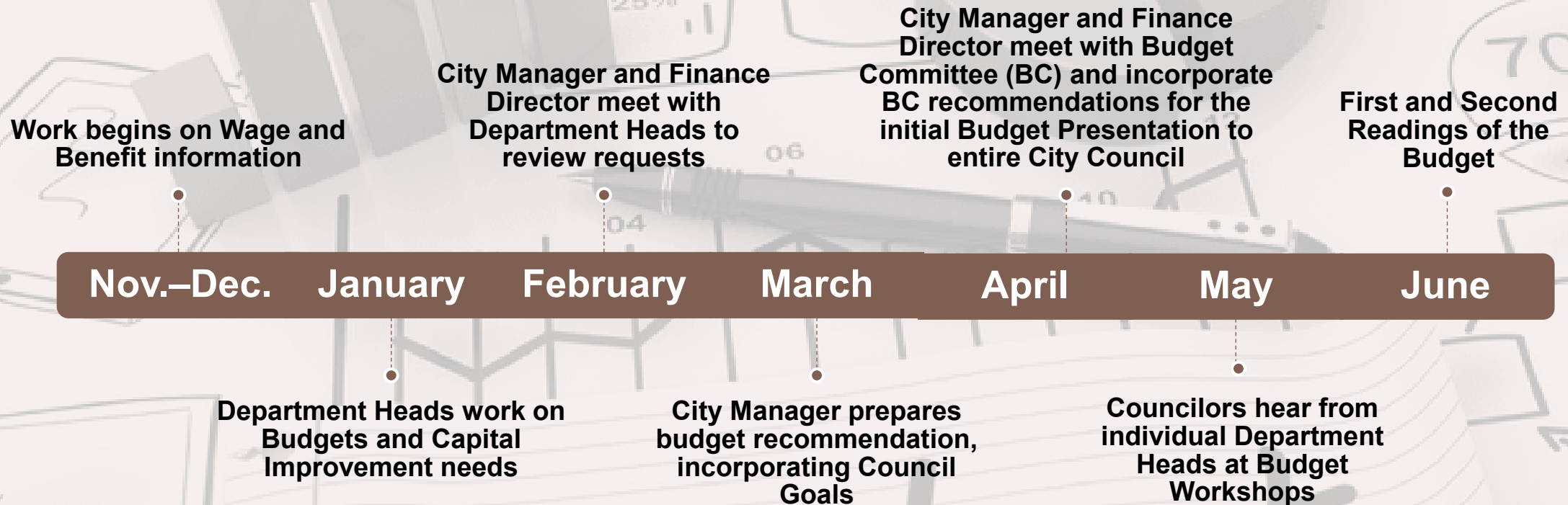
Prepared & Presented by:  
Robert Peabody, City Manager  
& Department Directors

April 16, 2025

# Organization Chart



# Budget Process



**\*\* The budget goes into effect 10 days after the Second Reading \*\***

Expenses		Amount
Audit (split w/Amb & WW funds)	Gen Gov	(6,000)
Reduce increase in Legal	Gen Gov	(5,000)
Reval-Use Special Revenue TAP to fund	Gen Gov	(25,000)
Change in Health Ins during preparation	Police	(20,483)
Reduce from 2 to 1 to attend Police Academy	Police	(3,500)
Remove proposed cruiser laptop	Police	(2,000)
Remove proposed cruiser setup	Police	(17,800)
Reduce by 2 sets of turnout gear	Fire	(8,800)
Reduce proposed inc to vehicle repairs	Fire	(5,000)
Reduce OT (historical)	PW	(11,215)
Reduce Equipment & Maint (newer equip)	PW	(5,000)
Reduce Engineering request	PW	(1,000)
Reduce Cemetery Mowing	PW	(5,000)
Reduce Tax Discount Program	Comm SS	(2,000)
		(117,798)
<b>Revenue</b>		
Added Excise		25,000
Increase Investment Earnings		10,000
Additional Use of Fund Balance		100,000
		135,000

# City Manager Changes

- The municipal budget as requested from the Department Heads would have increased the mil rate by \$1.00
- The City Manager cuts brought the municipal mil rate increase to .40



Mayor Pat Hart
Councilor Tim Cusick
Councilor Gay Grant

# Budget Committee Changes

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- The City Manager and Finance Director met with the Budget Committee members to review the proposed budget.
- The committee increased a few of the Social Service Agencies by a total of \$10K
- The committee also reduced the WasteWater Budget by \$125K, bringing the proposed sewer rate increase from a proposed 12% down to 4%

# FY26 Proposed Budgets

## Municipal

*Up \$420,205 (5.20%)*

- After Department Head proposals, City Manager and Budget Committee changes, the municipal budget results in a \$0.40 tax rate increase

## County

*Up \$113,191 (18.35%)*

- \$.30 increase

## Education

*Up \$245,986 (4.95%)*

- \$.60 increase

## Entire FY26 Budget Increase

*Up \$782,179 (5.71%)*

- All proposed budgets create an additional \$1.30 to the mil rate bringing the total tax rate from \$25.60 to \$26.90 or and additional \$130 for every \$100,000 in property value

The County and Education numbers in this presentation are based on the most current information provided to Finance.



# By Department

## *Municipal Highlights*

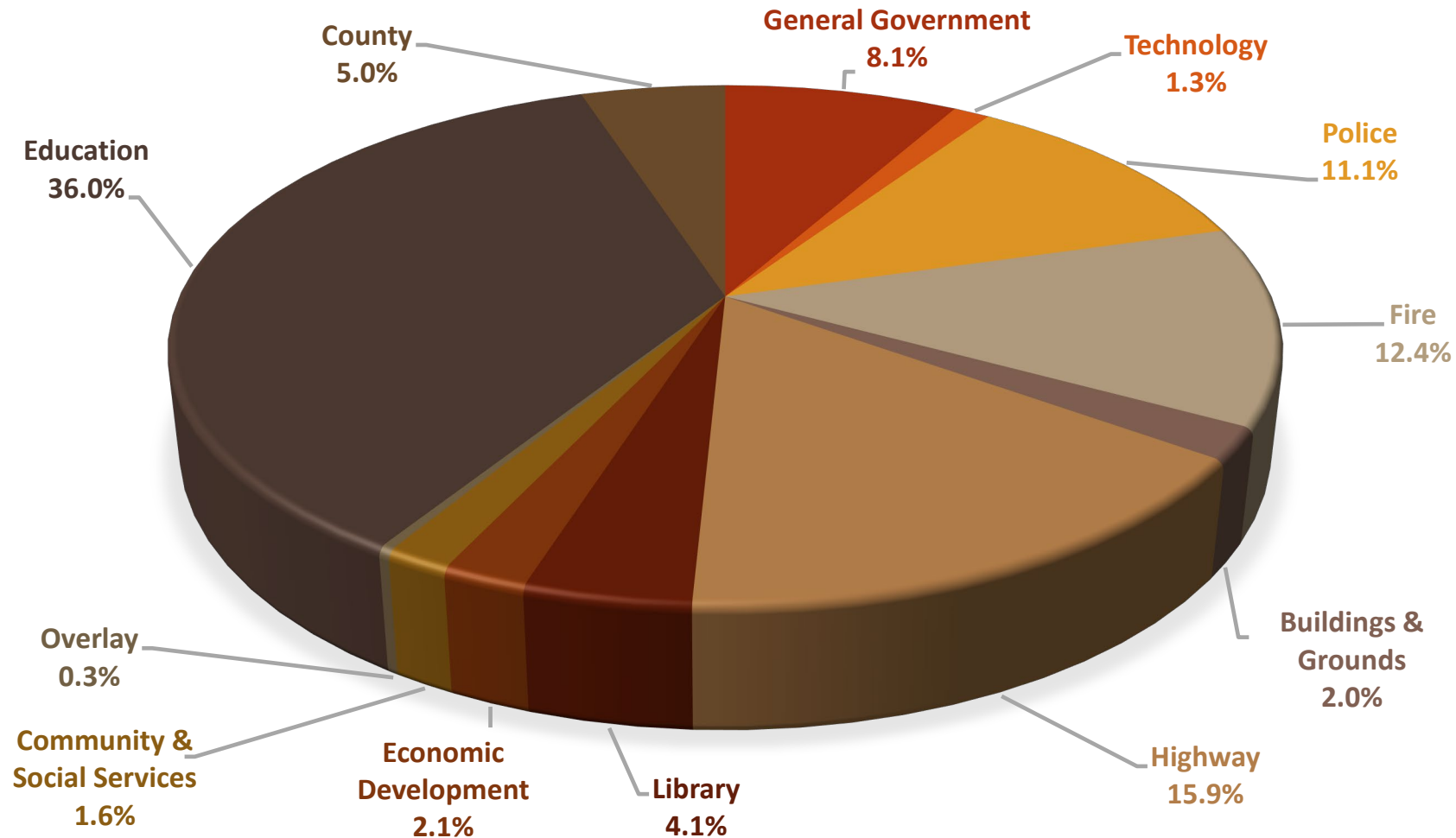
- Moved employees from the Buildings & Grounds department to the Public Works department leaving the custodian only.
- The net dollar change between those two departments is \$233,704 or 56% of the total municipal budget increase. Major increases in the Public Works department are \$30K for salt, \$100K for paving, \$34K for engineering, \$10K gardening services, and \$20K for cemetery mowing
- The Economic Development department is up 22% due to a proposed department restructure



## City of Gardiner FY26 Budget Summary by Department

Department	FY25 Approved	FY26 Proposed	\$ Change	% Change
General Government	\$ 1,141,975	\$ 1,180,666	\$ 38,691	3.39%
Technology	\$ 162,520	\$ 183,334	\$ 20,814	12.81%
Police	\$ 1,583,131	\$ 1,609,659	\$ 26,528	1.68%
Fire	\$ 1,789,535	\$ 1,796,738	\$ 7,203	0.40%
Buildings & Grounds	\$ 531,198	\$ 288,435	\$ (242,763)	-45.70%
Highway	\$ 1,822,896	\$ 2,299,363	\$ 476,467	26.14%
Library	\$ 574,904	\$ 599,558	\$ 24,654	4.29%
Economic Development	\$ 250,804	\$ 306,439	\$ 55,635	22.18%
Community & Social Services	\$ 222,445	\$ 235,421	\$ 12,976	5.83%
<b>CITY BUDGET TOTAL</b>	<b>\$ 8,079,408</b>	<b>\$ 8,499,613</b>	<b>\$ 420,205</b>	<b>5.20%</b>
OVERLAY	\$ 40,853	\$ 43,650	\$ 2,797	6.85%
<b>MSAD 11/EDUCATION ASSESSMENT</b>	<b>\$ 4,967,744</b>	<b>\$ 5,213,730</b>	<b>\$ 245,986</b>	<b>4.95%</b>
<b>COUNTY ASSESSMENT</b>	<b>\$ 616,809</b>	<b>\$ 730,000</b>	<b>\$ 113,191</b>	<b>18.35%</b>
<b>GRAND TOTAL BUDGET</b>	<b>\$ 13,704,814</b>	<b>\$ 14,486,993</b>	<b>\$ 782,179</b>	<b>5.71%</b>
<b>PROJECTED REVENUE</b>	<b>\$ (13,704,814)</b>	<b>\$ (14,486,993)</b>	<b>\$ (782,179)</b>	<b>5.71%</b>
<b>Deficit</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	

# % of Budget by Department





# By Category

## Municipal Highlights

75% of this year's increase is due to the following two budget categories:

- Wages & Benefits account for 56% of the City's entire budget and makes up 47% of this year's budget increase (\$196K), which includes one additional position
- Professional Services makes up 28% (\$116K) of the budget increase and consists mainly of increases in assessing and legal fees, an additional \$100K for paving, and added services for gardening and cemetery mowing



## City of Gardiner FY26 Budget Summary by Category

Category	FY25 Approved	FY26 Proposed	\$ Change	% Change
Wages	\$ 3,332,258	\$ 3,459,983	\$ 127,725	3.83%
Benefits	\$ 1,244,792	\$ 1,313,200	\$ 68,408	5.50%
Travel & Training	\$ 50,890	\$ 43,040	\$ (7,850)	-15.43%
Dues & Subscriptions	\$ 65,962	\$ 60,092	\$ (5,870)	-8.90%
Advertising & Outreach	\$ 18,800	\$ 24,550	\$ 5,750	30.59%
Computers & Devices	\$ 144,716	\$ 200,032	\$ 55,316	38.22%
Materials & Supplies	\$ 255,330	\$ 293,681	\$ 38,351	15.02%
Equipment & Maintenance	\$ 155,326	\$ 141,026	\$ (14,300)	-9.21%
Buildings & Maintenance	\$ 523,789	\$ 558,900	\$ 35,111	6.70%
Vehicles & Maintenance	\$ 190,530	\$ 173,100	\$ (17,430)	-9.15%
Professional Services	\$ 889,358	\$ 1,005,081	\$ 115,723	13.01%
Special Projects	\$ 16,000	\$ 25,000	\$ 9,000	56.25%
Other	\$ 585,151	\$ 614,557	\$ 29,406	5.03%
<b>OPERATING BUDGET SUBTOTAL</b>	<b>\$ 7,472,902</b>	<b>\$ 7,912,242</b>	<b>\$ 439,340</b>	<b>5.88%</b>
<b>CAPITAL/DEBT BUDGET SUBTOTAL</b>	<b>\$ 606,506</b>	<b>\$ 587,371</b>	<b>\$ (19,135)</b>	<b>-3.15%</b>
<b>CITY BUDGET TOTAL</b>	<b>\$ 8,079,408</b>	<b>\$ 8,499,613</b>	<b>\$ 420,205</b>	<b>5.20%</b>
OVERLAY	\$ 40,853	\$ 43,650	\$ 2,797	6.85%
MSAD 11/EDUCATION ASSESSMENT	\$ 4,967,744	\$ 5,213,730	\$ 245,986	4.95%
COUNTY ASSESSMENT	\$ 616,809	\$ 730,000	\$ 113,191	18.35%
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<b>Deficit</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	

# Proposed Economic Development & Planning Department Restructure

- **Remove Public Information Officer duties from the Economic Development Director**
  - ✓ More time to focus on expanding Economic Development
  - ✓ More time for attracting and retaining businesses, and implementing economic development strategies
- **Promote current Planning & Development Administrative Assistant to Planning Coordinator**
  - ✓ Primary function to facilitate the development and planning for Gardiner's future
  - ✓ Serves as primary coordinator for planning board functions
  - ✓ Assists in the review, development, and implementation of Gardiner's comprehensive plan, zoning ordinances and amendments, and land-use applications and regulations
  - ✓ Assists with writing and managing state and federal grants
- **Hire an Administrative Specialist**
  - ✓ Includes public information duties such as website management and social media posting
  - ✓ Creates clear and consistent dissemination of information regarding committee and board meetings, project updates, departmental materials, public notices, and events
  - ✓ Coordinates and publishes the City's meeting and event calendar
  - ✓ Provides administrative support to the Economic Development Director, Planning Coordinator, Code Enforcement Officer, and Assessor

# 2025 Paving Plan



**In addition to the streets in the table, \$50K of the approved FY26 and FY27 paving budgets will be go towards the Arcade Parking Lot project.**

**The Libby Hill TIF will pay to have the remaining streets in the business park paved. This is phase II and includes Technology and Industrial Drives and Innovative and Troiano Ways, costing \$231K.**

Street	Cost
West Hill Terrace	13,888
Lincoln Avenue	152,763
Cottage Street	42,966
Phillips Street	12,152
Orchard Street	18,228
Danforth Street	17,252
Weeks Road	111,456
<b>Total</b>	<b>368,705</b>

# FY25 Capital Plan with 5-year outlook

<u>Department</u>	<u>FY25 Approved</u>	<u>FY26 Proposed</u>	<u>FY27 Projected</u>	<u>FY28 Projected</u>	<u>FY29 Projected</u>	<u>FY30 Projected</u>	<u>FY31 Projected</u>
<b>GENERAL FUND</b>							
Police	\$ 8,876.35	\$ 18,425.00	\$ 31,989.00	\$ 31,989.00	\$ 13,564.00	\$ 13,564.00	\$ -
Fire	\$ 153,908.92	\$ 144,675.70	\$ 112,201.44	\$ 112,201.44	\$ 112,201.44	\$ 112,201.44	\$ 92,451.44
Buildings & Grounds	\$ 34,759.06	\$ 33,677.03	\$ 32,609.62	\$ 31,542.21	\$ 30,477.73	\$ -	\$ -
Highway	\$ 400,250.41	\$ 381,883.41	\$ 335,590.83	\$ 306,005.32	\$ 288,996.14	\$ 295,446.57	\$ 183,507.88
<b>TOTAL GENERAL FUND</b>	<b>\$ 597,794.74</b>	<b>\$ 578,661.14</b>	<b>\$ 512,390.89</b>	<b>\$ 481,737.97</b>	<b>\$ 445,239.31</b>	<b>\$ 421,212.01</b>	<b>\$ 275,959.32</b>
<b>ENTERPRISE FUNDS</b>							
Ambulance	\$ 5,980.67	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
WasteWater	\$ 482,526.33	\$ 499,969.64	\$ 499,724.74	\$ 497,020.83	\$ 494,316.95	\$ 491,613.04	\$ 453,687.14
<b>TOTAL ENTERPRISE FUNDS</b>	<b>\$ 488,507.00</b>	<b>\$ 499,969.64</b>	<b>\$ 499,724.74</b>	<b>\$ 497,020.83</b>	<b>\$ 494,316.95</b>	<b>\$ 491,613.04</b>	<b>\$ 453,687.14</b>
<b>GRAND TOTAL ALL FUNDS</b>	<b>\$ 1,086,301.74</b>	<b>\$ 1,078,630.78</b>	<b>\$ 1,012,115.63</b>	<b>\$ 978,758.80</b>	<b>\$ 939,556.26</b>	<b>\$ 912,825.05</b>	<b>\$ 729,646.46</b>

- ✓ The Police Chief requested a new cruiser with the first payment deferred until FY27. The City Manager removed the purchase, reducing the FY26 budget by \$20K for the cruiser laptop and setup costs
- ✓ FY26 includes requests to rechassis Rescue 1 and replace the fly-car in the Ambulance Fund (funded with Amb Fund Balance)
- ✓ There is a request for a 5-year lease/purchase to replace a sewer camera (\$125K) in the WasteWater Fund

# Revenue

## Highlights

- The Taxes line reflects the added taxes with the 1.30 mil rate increase (municipal, county, and education) and an additional \$75K in excise tax
- Changes in the various Intergovernmental lines (State and Local revenue sources) have a reduction of \$42K from Revenue Sharing and an increase of \$46K in Solar
- Additional \$100K in Use of Fund Balance



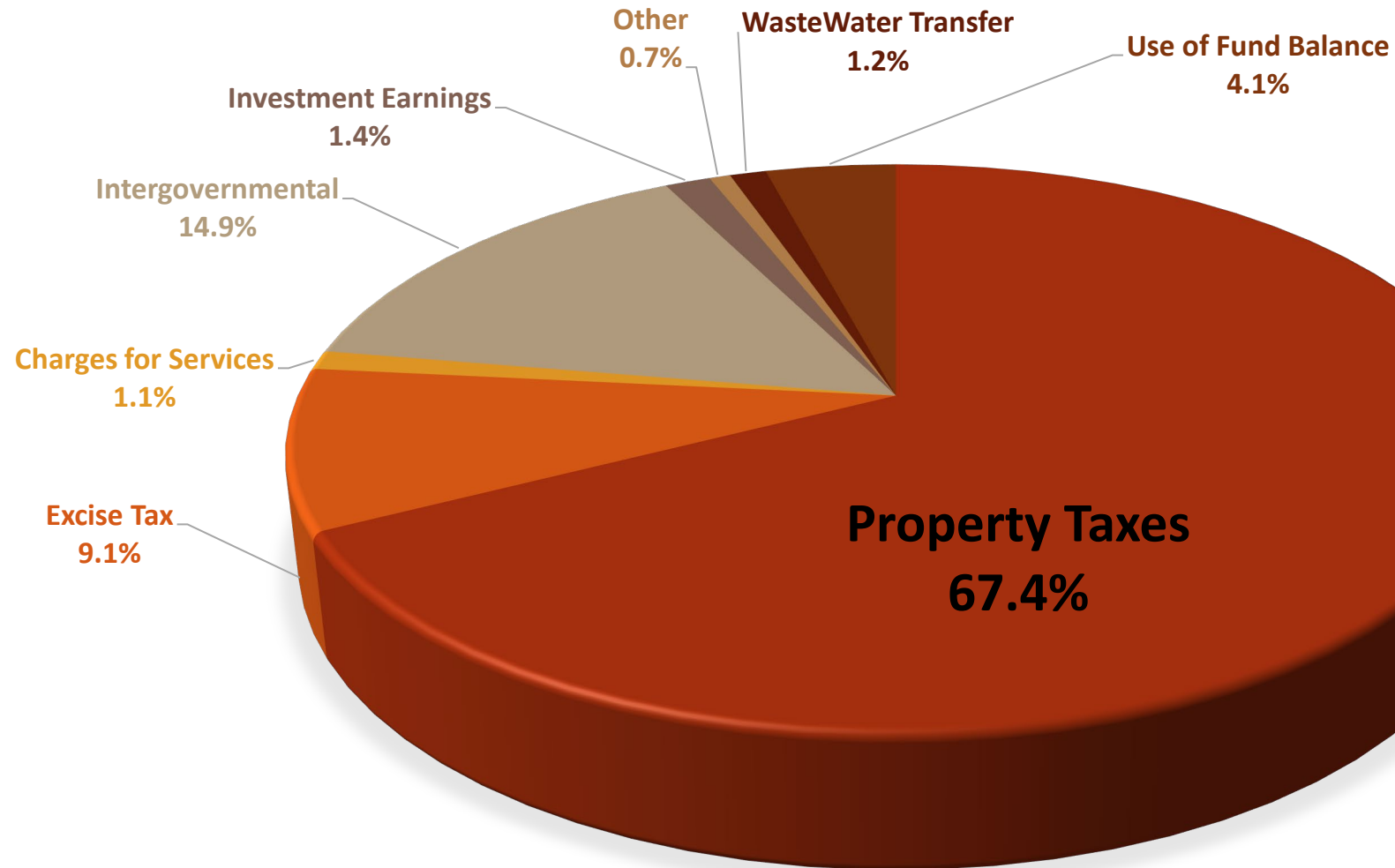
## City of Gardiner

### FY26 Revenue Summary by Category

Category	FY25 Approved	FY26 Proposed	\$ Change	% Change
<b>Taxes (net of TIF Transfers)</b>	\$ 10,470,885	\$ 11,141,132	\$ 670,247	6.40%
<b>Licenses &amp; Permits</b>	\$ 65,000	\$ 61,500	\$ (3,500)	-5.38%
<b>Intergovernmental</b>	\$ 2,168,284	\$ 2,160,406	\$ (7,878)	-0.36%
<b>Charges for Services</b>	\$ 51,500	\$ 49,800	\$ (1,700)	-3.30%
<b>Other</b>	\$ 300,000	\$ 307,000	\$ 7,000	2.33%
<b>Transfers</b>	\$ 149,145	\$ 167,155	\$ 18,010	12.08%
<b>Use of Fund Balance</b>	\$ 500,000	\$ 600,000	\$ 100,000	20.00%
<b>GRAND TOTAL BUDGET</b>	<b>\$ 13,704,814</b>	<b>\$ 14,486,993</b>	<b>\$ 782,179</b>	<b>5.71%</b>



# Municipal Revenue Streams



An item that comes up every year during the budget process is fund balance.

**“How much fund balance do we have?”**

At the end of FY24 the total unassigned fund balance was at \$3,234,570 or 26.5%.

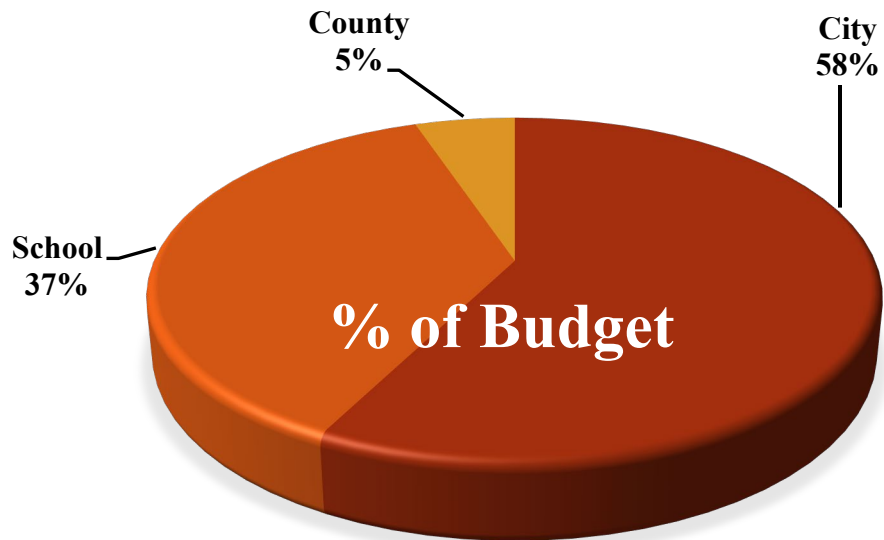
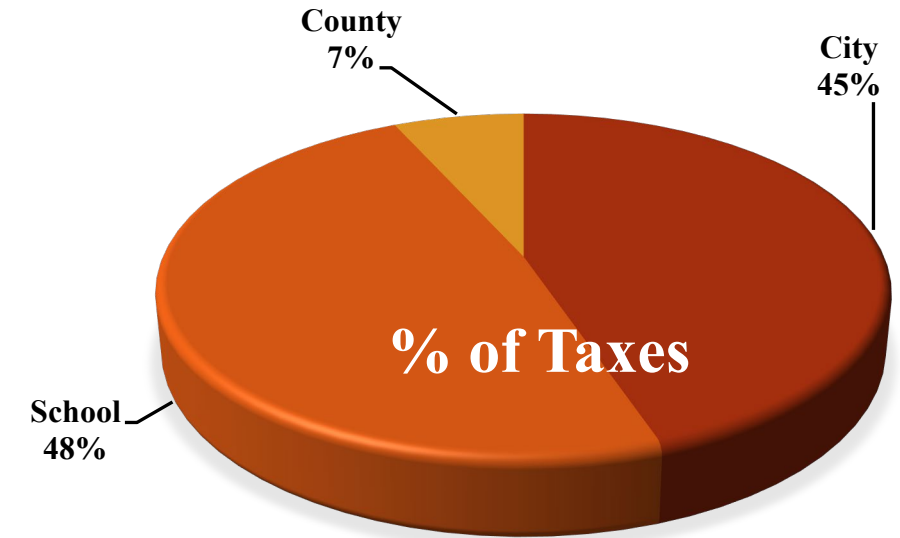
**“How much fund balance should we have?”**

Auditors recommend 2-3 months of operating expenditures or 16.6%-25%.

## FUND BALANCE

- FY25 has \$500K in use of fund balance and would bring the FB to 22.4% at the end of FY25 if all of it is needed (highly unlikely – too early to tell)
- This budget proposes to use another \$600K to offset a higher mil rate increase, putting the projected fund balance at 17.5% if it were also entirely used
- Using \$100,000 less would increase the mil by approximately .25 and leave a fund balance of 18.3%
- Conversely, using \$100,000 more would reduce the mil rate by about .25 but put the fund balance at 16.6%

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# CAUTIONS

The Municipal budget has a combined two-year increase of 12%



## FUND BALANCE

This budget relies on a significant amount of one-time revenue of \$600,000.



## PARTNER COMMUNITIES

Assumes that our partner communities for ambulance and library services remain.



## KENNEBEC COUNTY

Gardiner's share of the County budget is up \$113,191. This is an increase of 18.35%, and a two-year increase of 57%.



## MSAD11

Gardiner's share of the School budget is up \$245,986 or 4.95%. Combined with the increase of 393,458 from last year is a 14% two-year increase.

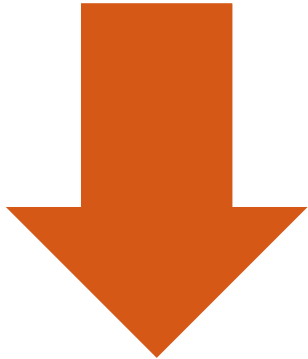
# FY26 Tax Increment Finance District (TIF)

## The Benefits of TIF Districts...



The School gets more in State Education Subsidy

The City gets more in State Revenue Sharing



The City pays less in County taxes due to less valuation

The Municipality pays a lower share of the School Assessment

Libby Hill TIF		
	Beginning Fund Balance	129,121
		FY26
		Proposed
<u>Libby Hill Revenue</u>		
	Associated Grocers/Pine State	54,925
	Harper's LLC	61,916
	EJ Prescott	202,908
	Pine State	184,980
	Libby Hill Area Wide	302,861
	Lots 8 & 9 and lots 18 & 20 Annual Payments	
	Land Sales	
	<b>Total Revenue</b>	<b>807,590</b>
<u>Libby Hill Expenses</u>		
	Road and Infrastructure Improvements	
	Comprehensive Plan	100,000
	Detention Pond Maintenance	40,000
	Arcade Parking Lot Capital Improvement Project	
	Johnson Hall-Pledge	
	Credit Enhancement Payments	47,436
	Transfer to General Fund	400,000
	Debt Service/Libby Hill Phase II	211,826
	<b>Total Expenses</b>	<b>799,262</b>
	<b>NET BUDGET</b>	<b>8,329</b>
	<b>Ending Fund Balance</b>	<b>137,450</b>



# FY26 TIF (continued)

<b>Downtown TIF</b>		
	Beginning Fund Balance	183,669
	FY26	
	Proposed	
<b><u>Downtown Revenue</u></b>		
	Downtown TIF District	329,898
<b><u>Downtown Expenses</u></b>		
	Sidewalk Improvement Phase I	
	Sidewalk Improvement Phase II	
	Dearborn Park Match	
	Waterfront Capital Improvement Project	
	Arcade Parking Lot Capital Improvement Project	400,000
	Credit Enhancement Payments	16,290
	Transfer to General Fund	
	<b>Total Expenses</b>	<b>416,290</b>
	<b>NET BUDGET</b>	<b>(86,392)</b>
	<b>Ending Fund Balance</b>	<b>97,277</b>

<b>Central Maine Crossing TIF</b>		
	Beginning Fund Balance	110,868
	FY26	
	Proposed	
<b><u>Central Maine Crossing Revenue</u></b>		
	Central Maine Crossing TIF District	98,314
	Escrow CMC (20%)	0
	<b>Total Revenue</b>	<b>98,314</b>
<b><u>Central Maine Crossing Expense</u></b>		
	CEA-Project Account (40%)	38,060
	Transfer to GF for portion of Ambulance Usage	34,142
	Facility Capital Improvement Project	50,000
	<b>Total Expenses</b>	<b>122,202</b>
	<b>NET BUDGET</b>	<b>(23,888)</b>
	<b>Ending Fund Balance</b>	<b>86,980</b>

# FY26 TIF (continued)

Summer St Affordable Housing TIF		
	Beginning Fund Balance	(0)
	FY26	
	Proposed	
<u>Summer St Affordable Housing Revenue</u>		
	Summer St Affordable Housing TIF District	15,951
<u>Summer St Affordable Housing Expense</u>		
	Credit Enhancement Payment	7,976
	Education	7,976
	Total Expenses	15,951
	NET BUDGET	(0)
	Ending Fund Balance	(0)

Commonwealth TIF		
	Beginning Fund Balance	16,119
	FY26	
	Proposed	
<u>Commonwealth Revenue</u>		
	Commonwealth TIF District	71,119
<u>Commonwealth Expense</u>		
	Credit Enhancement Payment	30,000
	Facility Capital Improvement Project	30,000
	Total Expenses	60,000
	NET BUDGET	11,119
	Ending Fund Balance	27,239

# AMBULANCE SERVICE

Formula to bill Members	
Budget	\$ 2,327,029.00
Individual & Insurance Bills	\$ (1,725,000.00)
Net Budget to be covered	\$ 602,029.00
50% Per Capita	\$ 301,014.50
50% Usage	\$ 301,014.50

This budget is up \$229,419 (11%)

93% of this increase is in the Wages & Benefits due to the 5-year transition back to an 80/20 split between Fire and Ambulance (from the current 65/35 model), contractual increases, and a 10% increase to the health insurance.

Town	Population	50% Per Capita	Ave 3 Year Call Vol	% of Incidents	50% Usage	Total Base Fee	FY26 Uncoll.	Grand Total	FY25 Total	Dollar Diff	% Diff
Chelsea (1/2)	1,389	16,242	226	7%	20,866	37,108	6,186	43,294	40,376	2,918	7.2%
Farmingdale	2,995	35,022	400	12%	36,961	71,983	15,045	87,028	84,227	2,801	3.3%
Gardiner	5,961	69,705	1080	33%	99,743	169,448	58,164	227,612	218,556	9,056	4.1%
Litchfield	3,586	41,933	334	10%	30,868	72,801	20,068	92,868	86,940	5,928	6.8%
Pittston	2,875	33,619	258	8%	23,789	57,408	11,995	69,403	67,674	1,729	2.6%
Randolph	1,743	20,382	257	8%	23,759	44,140	11,638	55,779	55,890	(111)	-0.2%
Richmond	3,522	41,185	415	13%	38,315	79,500	24,733	104,233	104,285	(52)	0.0%
West Gardiner	3,671	42,927	289	9%	26,713	69,640	17,171	86,811	89,667	(2,856)	-3.2%
<b>Totals</b>	<b>25,742</b>	<b>301,015</b>	<b>3,260</b>	<b>100%</b>	<b>301,015</b>	<b>602,029</b>	<b>165,000</b>	<b>767,029</b>	<b>747,615</b>	<b>19,414</b>	<b>2.6%</b>

**\*\* Approved by Ambulance Advisory Board on February 6 \*\***

# WASTEWATER

Major factors: Wages, electricity, sludge disposal, property insurance, and annual payment on a sewer camera

Rate Increases Calculation	
FY26 Proposed Budget	2,115,122
Projected Revenue:	
Farmingdale	(231,891)
Randolph	(212,106)
Penalties & Interest	(25,000)
Balance needed from Gardiner	1,646,125
Projected Revenue from Gardiner	1,585,000
Deficit	61,125
4% increase - Proposed	63,400

This budget is up \$101,694 (5%)  
This will necessitate a 4% sewer rate increase

## Budget Committee Adjustments

This budget was initially up \$226,6094 or 11.26% requiring a 12% rate increase. The Budget Committee removed \$75K Capital Reserve and reduced the Collection System line by \$50K, putting it back to the FY25 amount of \$50K.

**\*\* Reviewed by WasteWater Advisory Committee on March 6 \*\***



# BUDGET TIMELINE

May 7 - Councilors hear from individual departments (General Government, Technology, Police, and Fire)

May 14 - Councilors hear from individual departments (Building & Grounds, Public Works, Library, Economic Development, and Community/Social Services)

May 21 - Councilors hear from individual departments (Ambulance, WasteWater, and TIF) and start Budget Workshop

May 28 - Budget Workshop (Continued Budget Workshop if needed)

June 4 - Budget First Reading

June 18 - Budget Second Reading