

Town Manager's Report - Budget Process and Draft Budget Update II

We are seeing lingering impacts from the pandemic including inflation and adjusting to two years of unsustainably high revenues. As a result we are faced with increasing costs to maintain the modest services currently provided by the Town relative to one or two years ago. We do have a few things going in our favor. Nearly a decade of stable and responsible governance, which continues with this year's budget has put the Town of Readfield in a position to minimize impacts to taxpayers. We anticipate a net increase in taxes, likely driven by anticipated County and Regional School Unit #38 budget increases, not by municipal spending. The Town does not set these budgets but does estimate their impacts as part of our budget process. All together, the total projected increase in tax impact is about 5.4% from levels in 2020, or about 1.5% annually - this is far less than inflation. Here are a few summary budget highlights from the PROPOSED municipal budget (not the RSU or County budgets):

- Many operating expenses are budgeted to rise as a result of increased material, transportation, and energy costs. Some expenses are being reduced because of savings or efficiency.
- In the State of Maine inflation stood at 8.7% in 2022. This resulted in an 8.7% increase in the State Minimum Wage. Wages in Readfield are subsequently proposed to increase by 8%. Salary and contract employees have a proposed 5% increase. Stipends for Firefighters and other volunteers, which have not seen an adjustment for several years, are proposed to rise 10%.
- We are able to budget for expenditures for several planned capital expenditures, including a new Fire Truck, paving projects, and the proposed Church Rd. Sidewalk, with minimal impact due to savings and responsible borrowing. The Fire truck was originally set to be replaced in 2018 but was "stretched" an additional 5 years. The proposed bond is estimated at 5% for 10 years.
- Several non-tax revenue streams are up as a result of consumer spending on things like home improvements relative to pandemic era levels. Other revenue sources are down as we consider the impacts of inflation and persistent supply chain issues. As stated earlier, intergovernmental revenues are less than what we have seen recently due to the end of COVID grants and subsidies.
- Bond proceeds are a major budgeted revenue to cover the new proposed Fire Truck.
- Assigned and unassigned municipal fund balances are being used to minimize tax impacts. We have developed healthy reserves for use in times like these but this too is temporary revenue.

Here are the key details on the budget and warrant process:

- **Public Hearing** on the budget and warrant will be on **March 22nd and May 31st at 6:30pm**. They will be held via ZOOM and at the Town Office.
- Candidate's Night will be held on **May 1st at 6:30pm** via ZOOM and at the Town Office.
- Remote / virtual participation for all of the above events will be the same:
 - The public may participate by calling (929) 436-2866 or using the online ZOOM platform with Meeting ID: 881 4960 8367 and Passcode: 781405.
 - Written comments and questions for the Candidates can be submitted in advance on the Town Website: www.readfieldmaine.org
- Budget Committee meetings are public and a schedule is on the Town Website
- The **Annual Town Meeting / Secret Ballot** vote will be held on **June 13th from 8am until 8pm at the Kents Hill School Alford Athletic Center**.
- Municipal **Absentee Ballots** will be available at the Town Office beginning **May 12th**.

As always, visit www.readfieldmaine.org for more information!