

Memorandum

To: Eliot Select Board and Budget Committee

(posted on FY 25 Budget page of eliotmaine.org)

From: Town Manager Michael J. Sullivan

Re; Fiscal Year 2025 Draft Budget Adjustments

Select Board, Budget Committee Members,

As we draw closer to the deadline for making recommendations to the Town Manager proposed fiscal year 2025 budget, I am offering this abridged synopsis of changes to the December 2023 version which is on the website and a hardcopy sent to your home address. The intent is for the Select Board to finalize the warrant article on March 28th to meet the required deadlines, public hearings and most importantly to allow the public to become familiar with the final product.

The adjustments to the still “draft” FY 25 budget will as follows.

- E-62-01-99-30 School “Fixed Assessment” will be reduced by \$573,000. This change is based on information provided by MSAD 36 in respect to the state aid formula.
- E-62-02-99-15 County “Fixed Assessment” will be reduced by \$66,615. Again, based on the formula set by the state and provided to York County. It should be noted that the majority of cities/towns in York County are being assessed significant increases with only Eliot and Ogunquit to see reductions. Eliot’s is the greatest reduction going down \$26,916 from FY 24.
- E-01-01-05-02 Administration “Communications” will be increased by \$700 based on trends and some billing adjustments with the new phone system.
- E-10-01-05-02 Fire “Communications” will be reduced by \$1,000, again based on some changes to billing practices.

The FY 24 approved budget in an “apples-to-apples” comparison to the FY 25 proposed budget there is a \$736,000 increase of which about \$350K comes from the school budget and about \$170K coming from the proposed two new police officers and a part time employee in Town Hall (Finance) leaving \$180K increase from Health Insurance premiums, I would suggest these are the major drivers in respect to the modest overall increase to the budget.

We have just received the “draft” FY 23 audit and it indicates there is still over \$6 million in unassigned funds in the municipal treasury. The cash position increased for the Town of Eliot increased by about \$800K according to the audit. We continue to work towards having a more secure and vigilant municipal accounting process and as the auditor suggests there has been substantial and significant improvement due to the hard work of the Finance Director and with the support of staff.

I have attached a list of approved proposed additions to various reserve accounts. The requests would be increased through “unassigned funds”. The proposed allocations do not have an impact on the tax rate as they are funds already in treasury.

I am proposing the following.

- \$120,000 be added to the “Wage and Training Reserve Fund”. This fund would continue to be used for wages and training. This would include ongoing training, salary increases, and/or other related benefits or costs.
- \$10,000 “Senior Tax Reserve” This would bring the balance to \$23,659, we use about \$12,000 a year so this would keep us slightly ahead.
- \$50,000 “Police Department Reserve” this would primarily be used for vehicle replacement in the future
- \$50,000 “Town Hall Reserve” the primary focus of this allocation would be to abate unexpected costs for the Town Hall Reno Project. The secondary focus will be to expand record retention efforts and digitization when allowed.
- \$50,000 “Fire Department Reserve”. Chief Muzzeroll has asked, and I support doing a “needs assessment” for the present fire operation including the physical building. This is a prudent planning project for the Town of Eliot.
- \$19,000 “Land Bank Reserve” this has been requested and I feel would be a wise allocation to add to the Land Bank Reserve.
- \$50,000 “Transfer Station Reserve”. The primary focus would be to replace aging packing/baler equipment, containers and make improvements to the buildings and structures.
- \$80,000 “Parks and Facilities”. This request is to start replacing the aging playscape equipment at Boat Basin and if feasible Frost Tufts.

It must be stated these allocations do not allow departments to spend the allocation without process. There still is oversight by departments, the Town Manager, Finance Director and cannot be expended without a specific vote of the Select Board. The Select Board vote would include a more detailed and specific plan, quotes when warranted, and they may also put restrictions or requirements when they feel it is necessary. Having this funding availability does allow the ability to react to opportunities which may otherwise be missed in a more traditional approval process.

Reserves should never be used for reoccurring expenses and only supplement budgets when there is a course of action to address reasonable increases related to spending in future General Fund budgeting.

I appreciate your consideration, thank you!

Town of Eliot, Maine
Subaccount Schedule of Investments - Reserve Funds
For the Month of February 2024

Account Name	Ending Balance	FY2025 Proposed	Proposed Balance
Administration Reserve	\$ 122,739.67		\$ 122,739.67
Wage & Training Reserve	\$ 57,208.45	\$ 120,000.00	\$ 177,208.45
Senior Tax	\$ 13,659.46	\$ 10,000.00	\$ 23,659.46
Police Department Reserve	\$ 162,013.74	\$ 50,000.00	\$ 212,013.74
Eliot Commons TIF	\$ (46,408.80)		\$ (46,408.80)
Town Hall Reserve	\$ 711,827.43	\$ 50,000.00	\$ 761,827.43
Fire Department Reserve	\$ 213,154.95	\$ 50,000.00	\$ 263,154.95
Land Bank Reserve	\$ 48,049.23	\$ 19,000.00	\$ 67,049.23
Grant Match	\$ 206,757.84		\$ 206,757.84
Sewer Reserve	\$ 269,050.05		\$ 269,050.05
Public Works Reserve	\$ 1,175,153.63		\$ 1,175,153.63
Transfer Station Reserve	\$ 46,150.14	\$ 50,000.00	\$ 96,150.14
Parks & Facilities Reserve	\$ 52,615.44	\$ 80,000.00	\$ 132,615.44
Community Service Department	\$ 88,357.24		\$ 88,357.24
PS Impact Fees	\$ 111,601.64		\$ 111,601.64
Eliot Stormwater Reserve	\$ 34,119.58		\$ 34,119.58
Rt. 236 TIF	\$ 4,665,519.98		\$ 4,665,519.98
Lena Grover Memorial Trust	\$ 938.17		\$ 938.17
Mary Lizzie Spinney Trust	\$ 26,539.58		\$ 26,539.58
Susan Blume/Frost Tufts	\$ 12,252.52		\$ 12,252.52
Cemetary	\$ 2,836.07		\$ 2,836.07
ARPA	\$ 322,851.21		\$ 322,851.21
PEG Access	\$ 53,673.78		\$ 53,673.78
Grants	\$ 50,794.04		\$ 50,794.04
Fuel Assistance	\$ 38,861.24		\$ 38,861.24
	Total Request:	\$ 429,000.00	