



TOWN OF NORTH YARMOUTH

The Town Where Others Began.

FY 2024 PROPOSED BUDGET PRESENTATION

Tuesday, April 9, 2024 at 6:00 P.M. & April 11, 2024 at 6:30 P.M.

TO: Town Select Board & Budget Committee

FROM: Diane Barnes, Town Manager

DATE: April 9, 2024 & April 11, 2024

RE: First draft of fiscal 2025 Proposed Municipal Operational Budget

Presented today is the first draft of the FY 2025 Municipal expenditure budget for your review and consideration. We propose a budget for municipal services with the goal of funding our operational needs. This budget maintains the level of service currently provided to the citizens of North Yarmouth. I want to thank the Department Heads and Staff for their assistance in preparing the proposal before you.

FY 2024 was an extremely demanding and busy year. The Select Board and Department Heads worked diligently together ensuring the smooth operation of municipal government and assisting with valuable advice and guidance. These efforts in turn enabled us to see that services were still to be provided to the best of our ability, within the restrictions set upon us for the safety of our employees and our community. Department Heads and staff worked hard and were creative to provide services to our community. With so many uncertainties in the future direction of the economy at the State and National levels, we will continue to find ways to be more resourceful in delivering quality services to our community. Although our municipal services are used to their maximum, non-controllable costs, some goods and services continue to escalate, causing our budget requests to react in kind. Increases are proposed to keep pace with those non-controllable cost items that are critical to our service delivery.

This budget includes 24/7 per diem coverage in the Fire Department beginning January 1, 2025, a full-time equipment operator/laborer for the Public Works Department as well as a 4% Cost of Living increase for personnel. It further includes wage adjustments to some employees' hourly rates to remain competitive and bring the wage levels more in line with today's market. We are facing an increasingly competitive market with the worst labor shortage in a century. As a result, employers are increasing wages and benefit packages to retain and hire employees.

Public Safety 24/7 Per Diem	\$64,000 (wages & benefits)
Public Works HEO/Lab	\$84,743 (wages & benefits)

The economy has a major impact on the revenue available to fund municipal services. Considering the growing economy of the area, North Yarmouth has been fortunate to benefit from a steady increase in



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motor vehicle excise taxes: a trend that I see continuing through FY 2025. Excise tax is our major revenue source after property tax revenue. The State recently produced an estimated revenue sharing report for FY 2025 which is estimated to be lower than what we are receiving in FY 24.

The Budget-Manager Request

The Municipal Budget FY 2025 Manager requests a total of \$5,108,529 for an increase of \$464,117 or 10% over the current budget. These amounts again exclude the County Tax and the local contribution to the MSAD#51.

Wages and benefits total \$2,162,462 comprising 42.3% of the budget.

There are a few unknown cost drivers we are working on to bring to resolution. We have estimated a 8.5% increase to the Town general insurance accounts as a placeholder. I will make the necessary adjustments to this line item once I hear back from the underwriter.

North Yarmouth's unassigned fund balance as of 6/30/2023 is \$1,874,208 which is an increase of \$784,621. It is essential that the Town maintain adequate levels of unassigned fund balance to mitigate financial risks that can occur from unforeseen revenue fluctuations and unanticipated expenditures. The fund balance also provides cash flow for the Town's general operations which will reduce the Town's need for a Tax Anticipation Note and the interest and borrowing costs associated with the note. The Select Board strives to maintain an appropriate level of unassigned fund balance. However, if the Select Board chooses to use a portion of the unassigned, I would recommend its use for non-recurring capital costs.

This budget includes the first of five debt payments in the amount of \$133,895 for the new E-One Fire Truck purchased in December 2024. The principal and interest are due in October.

This budget also includes funds totaling \$56,400 for a Statistical Revaluation to address a falling assessment ratio.

Included in this year's manager's budget are the following capital requests for operational needs:

Town Office	Foyer Removal & Repl.	\$116,000
Town Office	Siding Removal & Rep.	\$ 55,000
Town Office	Gutter Installation	\$ 5,000
Town Office	Emergency Exit Repair	\$ 5,000
Community Center	AV Equipment	\$ 11,500
Public Safety	Air Bags	\$ 8,000
Public Safety	Radios/Mobile Units	\$ 70,000



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Public Works	500ft. Lufkin Road Recon.	\$ 30,000
Public Works	Paving	\$244,360
Public Works	One Ton Truck, Plow & Sander	\$100,000 (other funding source)
Public Works	PW Garage Overhead Doors	\$ 30,000
Public Works	Heat Pumps Garage Bays	\$ 26,000 (other funding source)
Public Works	60" Z Turn Mower	\$ 22,000 (other funding source)

The following expenses by department will have an off-setting revenue source that are included in the projected revenues:

Municipal Administration	Administrative Costs	\$ 38,007	Transfer in from TIF
Public Works	Administrative Costs	\$ 11,425	