

Town of Falmouth, Maine FY2026 Budget Proposal

Finance Committee Meeting
March 26th, 2025



Operating Expenses



General Fund Expenditure Budget

		FY2025 Budget	FY2026 Proposal	Change
General Government	Administration, Council, Legal, Town Clerk, Building Maintenance, Cable TV, Communications, Sustainability, Assessing, IT	2,463,156	2,443,400	(19,756)
Finance	Finance, Debt Service, Insurance/Risk Management	1,320,644	1,260,745	(59,899)
Public Safety	Police, Harbor, Animal Control, Dispatch, Fire	9,359,224	10,196,537	837,313
Public Works	Public Works, Transfer Station	2,314,644	2,387,450	72,806
Community Development	Community Development	588,585	539,986	(48,599)
Parks & Community Prgms	Mason-Motz Building, Parks	819,575	849,327	29,752
Non-Departmental	Library, Metro, Senior Tax Assistance, Contingency	1,477,176	1,575,966	98,790
Transfers	Transfers to CIP and Special Revenue Funds	1,882,000	1,831,000	(51,000)
Total Town General Fund Budget*		\$ 20,225,004	\$ 21,084,411	\$ 859,407

**excludes County*

General Fund Budget Development

		<u>Budget Amt</u>
FY2026 General Fund Department requested changes		\$ 1,425,332
<i>Adjustments from meetings with Department Heads and review of prior years spending:</i>		<i>(168,475)</i>
<i>Additional adjustments:</i>		
Personnel and contracts moved to TIF	(265,409)	
Estimated savings from position vacancies	(130,348)	
Other adjustments	<u>(1,693)</u>	
TOTAL ADDITIONAL ADJUSTMENTS:		(397,450)
<hr/> Total General Fund proposed budget increase		<hr/> \$ 859,407 <hr/>

Summary of Significant Changes - GF

		FY25 to FY26
Police Patrol/Sgt unions payroll	Contracted COLA and step increases	106,299
Fire/EMS union payroll	Contracted COLA and step increases	199,413
Non-union payroll	4% COLA - to match Police & Fire union contracts	273,171
Retirement contributions	Contracted and COLA wage increases	72,411
MEPERS rate changes	Non-Public Safety fr 9.9% to 10.2%; Public Safety fr 12.8% to 13.2%	34,200
Health insurance	11% increase in premium rates	229,580
Paid Family Medical Leave	New tax: 0.5% from Town; employees will contribute 0.5% *Not applied to FD union in FY26 due to CBA	40,476
Income Protection Plan	Town contribution discontinued	(35,244)
1 new Patrol Officer for 9 months	Original Department request was for full year	87,975
1 Public Safety position vacancy	Assume that vacancies will continue to occur	(130,348)
Salaries & benefits adjusted to TIF	Increase Community Development and Admin staff allocation	(210,553)
Salaries & benefits adjusted Parks / CP	Adjust based on increasing use of FLT for open space mgmt	(28,960)
Building and equipment maintenance	Various building, vehicle, equipment maintenance costs	39,186
Open Space mgmt contract	Current contract with FLT expires 6/30/2025	34,045
FD EMS run software	Current software will no longer be supported	20,000
Workers Comp premium reduction	MMA reduced rates and slightly improved experience mod	(31,634)
General Liability insurance estimate	Assumed 12% increase based on prior years' increases	29,596
Assessing contract with County	Assumed 20% increase; moved 25% of cost to TIF	(18,285)
Library contribution	Per Library budget request	72,868
All other		75,211
		<u>859,407</u>

FY2026 GF Non-Property Tax Revenues

	<u>Budget Amt</u>
FY2025 General Fund Revenues	\$ 9,198,773
<i>Changes:</i>	
Automobile excise taxes - assume 1.5% increase from FY2025	70,412
Resident stickers - fee increased from \$5 to \$15	30,000
Ambulance charges - increased usage and 7/1/2024 rate increases	45,000
State Revenue Sharing	122,700
Investment income	177,260
Other adjustments	26,876
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FY2026 General Fund Revenues final estimate	<hr/> \$ 9,671,021 <hr/>

PAYT Special Revenue Fund

	FY2025 Budget	FY2026 Proposal
Beginning Fund Balance	\$ 250,727	\$ (56,615)
PAYT Bag Fee Revenue	640,787	871,170
Other Revenues	1,200	1,200
Budgeted Expenditures	(949,329)	(1,020,477)
Compliance audit and enforcement - 1 year		(15,000)
Estimated Ending Fund Balance	\$ (56,615)	\$ (219,722)

Factors:

Increasing costs from Ecomaine and Casella

Declining bag sales

Estimated tax impact if yellow bags eliminated:

\$0.24 or \$204 based on median home value of \$850,000

Recommendations:

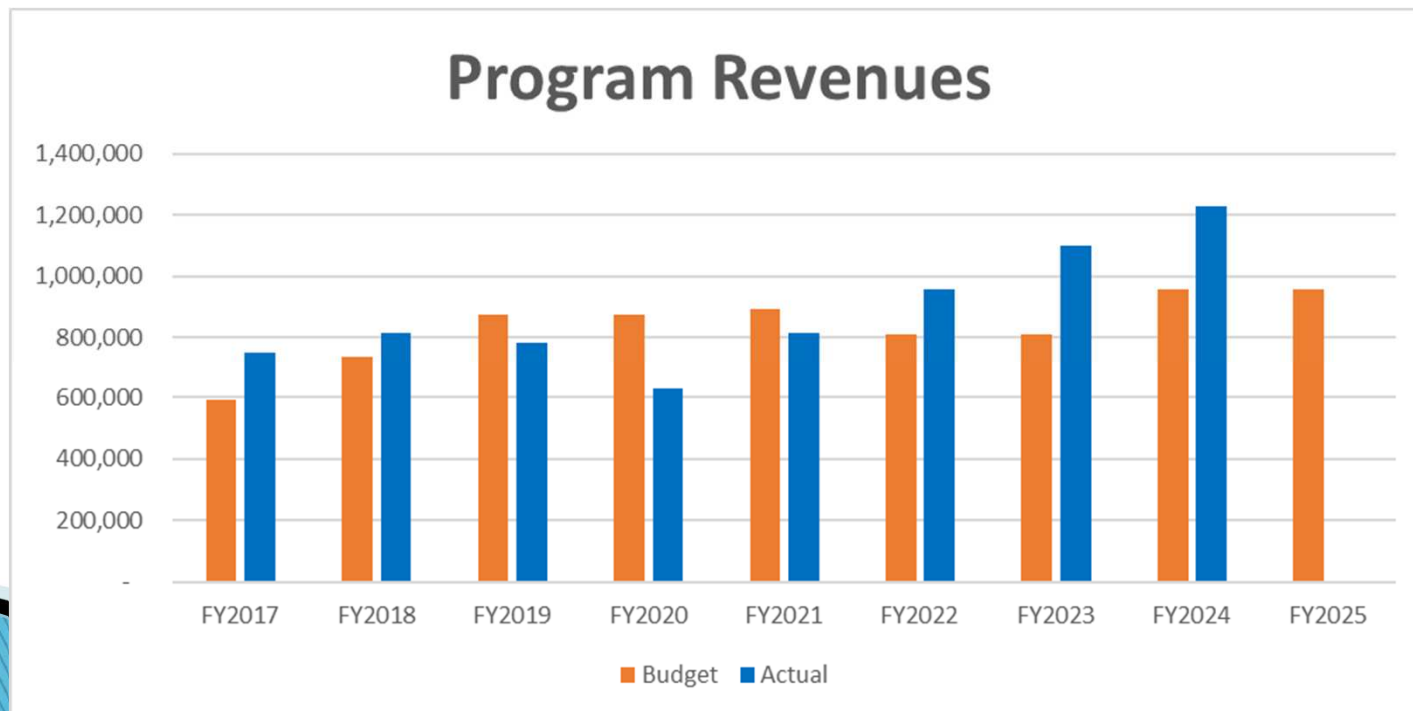
Use of \$205,000 Fund Balance to cover anticipated shortfalls in FY2025 and FY2026

Increases to bag fees:

	<i>Small bags</i>	<i>Large bags</i>
Prices effective 7/1/2024	\$2.29	\$3.54
25% increase 7/1/2025 (included in FY26 revenue above)	\$2.86	\$4.43
25% increase 7/1/2026	\$3.58	\$5.54

Community Programs Special Rev Fund

	FY2025 Budget	FY2026 Proposal
Beginning Fund Balance	\$ 302,802	\$ 287,576
Program and miscellaneous revenues	958,340	1,170,300
Expenses:		
Wages and benefits	(622,061)	(817,271)
Operations	(64,505)	(61,200)
Programming costs	(272,000)	(272,000)
Transfer to CIP for future vehicle replacements	(15,000)	(15,000)
Estimated Ending Fund Balance	\$ 287,576	\$ 292,405



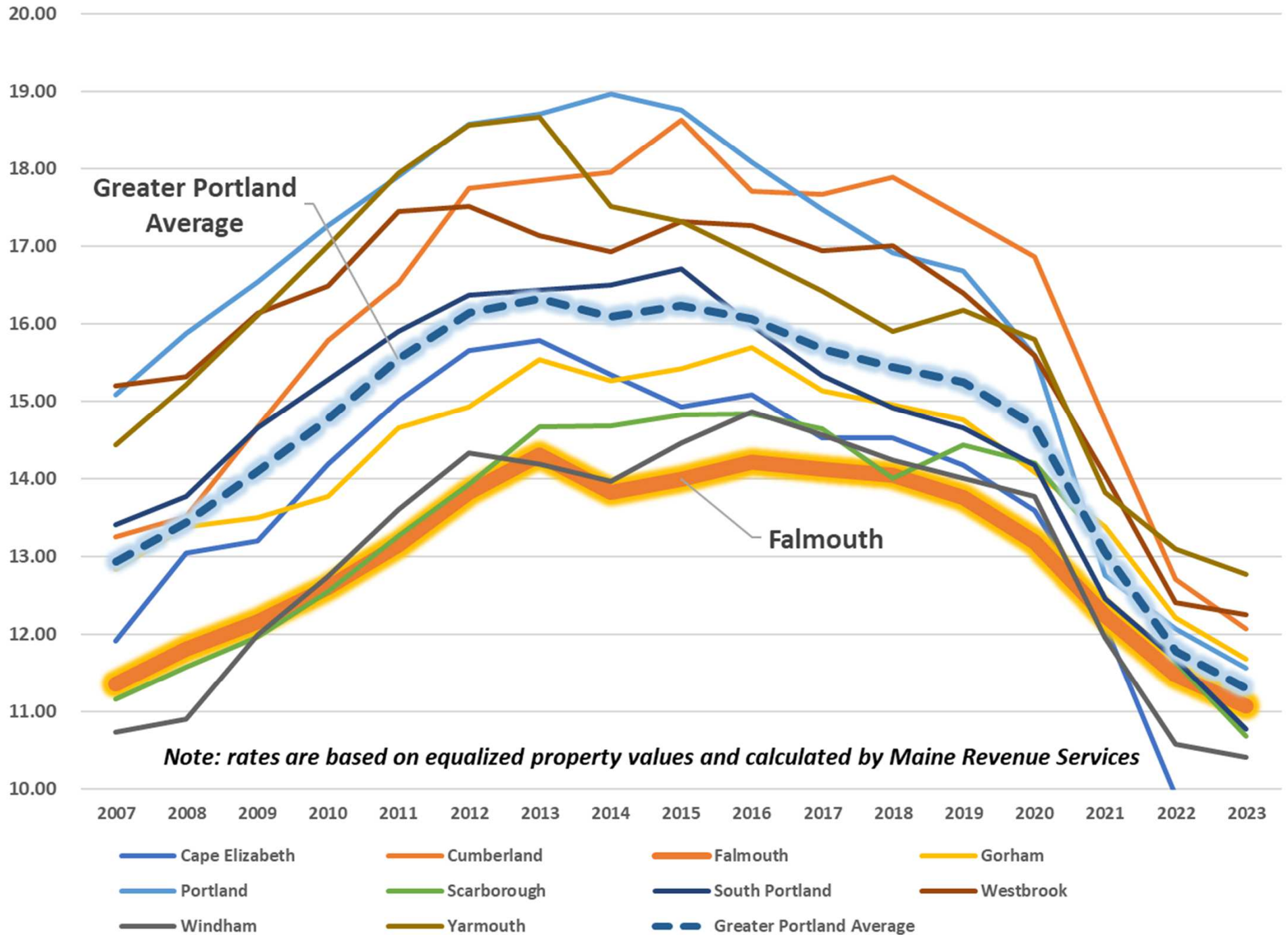
FY2026 Proposed Use of Fund Balance

Invasives Special Revenue Fund	To fund study to establish baseline to enable treatment plan to be developed	\$ 50,000
Capital Improvement Plan	To keep appropriation same as FY25 (FY25 use of FB for CIP was \$500k)	239,000
Waste Disposal - PAYT	To cover operating shortfall until prices can be increased to match costs	205,000
Waste Disposal - PAYT	To cover costs of auditing and enforcement for 1 year	15,000
Total proposed use of Fund Balance		\$ 509,000

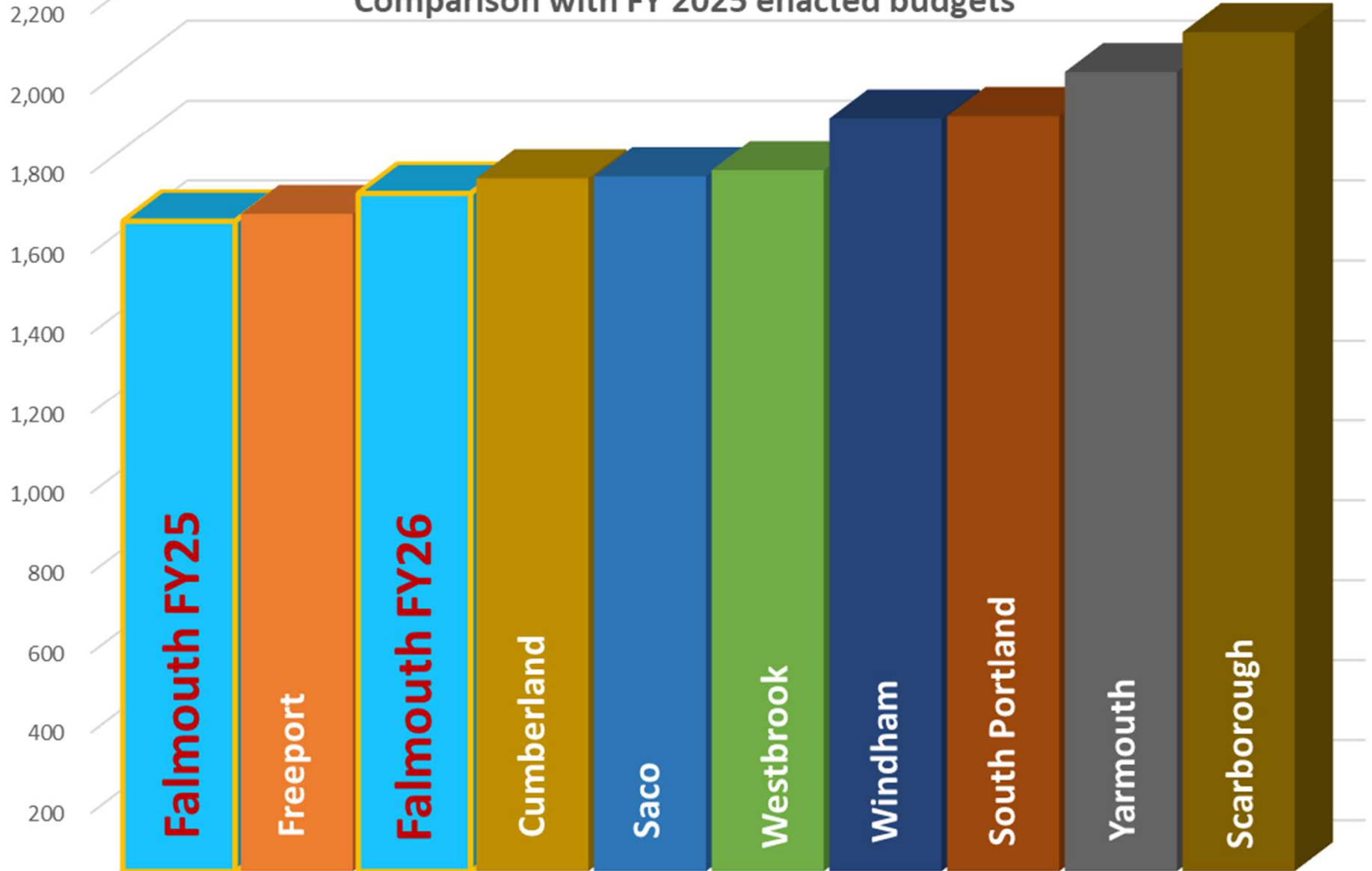
Impact on Mil Rate

	FY2025 Budget	FY2026 Budget	Change	Mil Rate
<i>Total Non-TIF valuation base - assumes 1% growth</i>	3,925,969	3,965,229		
Town portion of FY2025 Mil Rate				<u>2.82</u>
General Fund operating expense (Town Only)	20,225,004	21,084,411	859,407	0.22
Overlay	54,447	54,447	-	-
Non-Property Tax Revenue	<u>(9,198,773)</u>	<u>(9,671,021)</u>	<u>(472,248)</u>	<u>(0.12)</u>
Net to be raised from Property Taxes	11,080,678	11,467,837	387,159	0.10
Estimated change in Valuation (1%)				<u>(0.03)</u>
Estimated Town portion of FY2026 Mil Rate		2.89		<u><u>2.89</u></u>
<i>% Increase of Town portion of mil rate</i>				2.48%

Full Value Tax Rates Selected Greater Portland Communities



General Fund Expense per Capita Comparison with FY 2025 enacted budgets



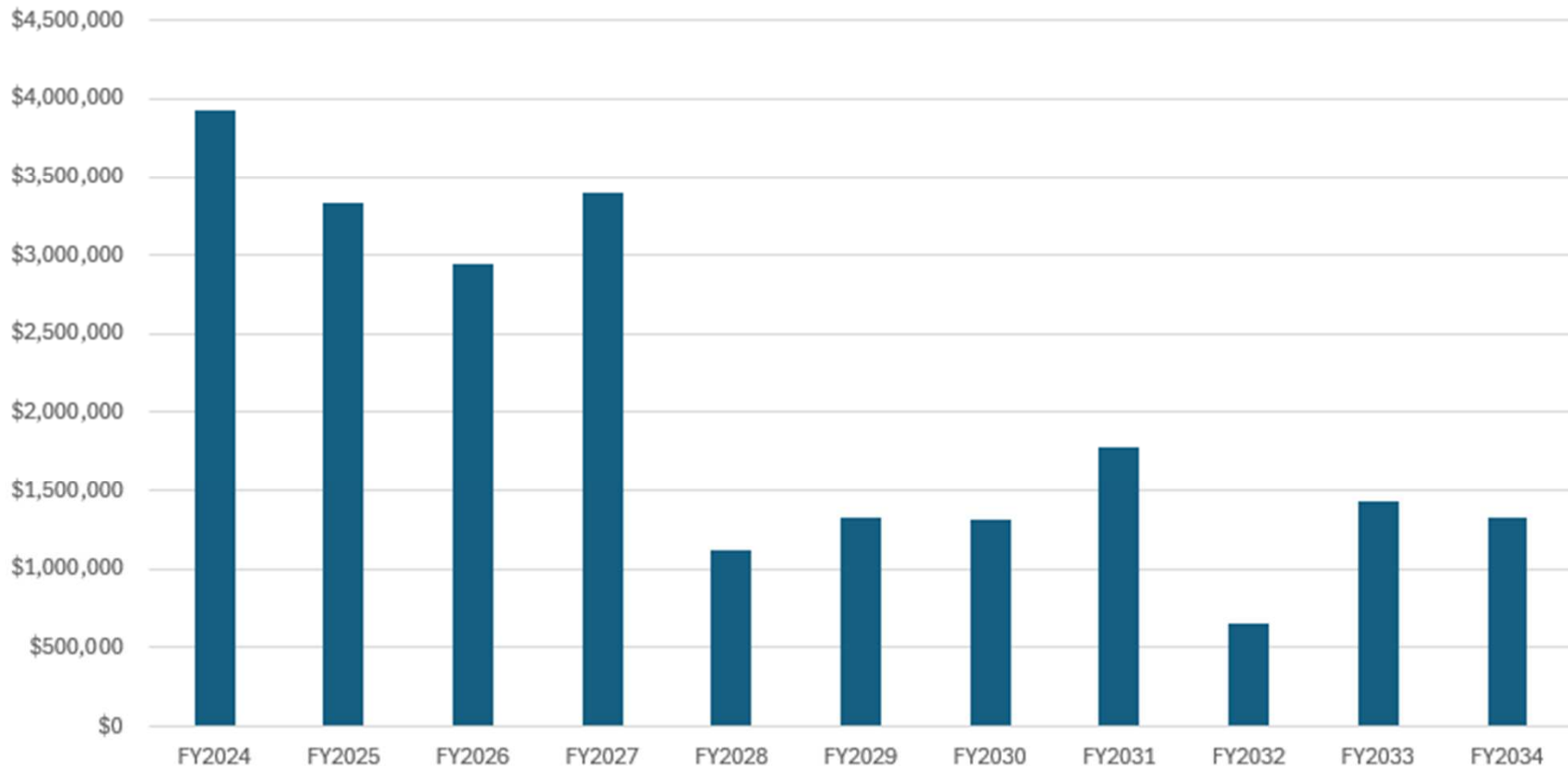
**Capital Improvement Program
Tax Increment Financing Districts
Special Revenue Funds**



CIP – Estimated Tax Impact

TAX APPROPRIATIONS	BUDGET FY2025	PROPOSED FY2026	PROPOSED FY2027	PROPOSED FY2028	PROPOSED FY2029	PROPOSED FY2030	PROPOSED FY2031	PROPOSED FY2032	PROPOSED FY2033	PROPOSED FY2034
TOTAL APPROPRIATIONS:	\$ 2,297,000	\$ 2,036,000	\$ 2,855,000	\$ 3,035,000	\$ 3,255,000	\$ 3,480,000	\$ 3,590,000	\$ 3,605,000	\$ 3,735,000	\$ 3,955,000
<i>*FD \$14M and PW \$11M bond repayments begin in FY2028</i>										
LESS: USE OF FUND BALANCE	\$500,000	\$239,000	\$750,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Pending reductions in General Fund operating costs:										
2007 Public Safety bond paid off				(170,000)	(170,000)	(170,000)	(170,000)	(170,000)	(170,000)	(170,000)
County fiscal year adjustment payment completed				(175,000)	(175,000)	(175,000)	(175,000)	(175,000)	(175,000)	(175,000)
NET TAX REQUIREMENT	1,797,000	1,797,000	2,105,000	2,690,000	2,910,000	3,135,000	3,245,000	3,260,000	3,390,000	3,610,000
TAX RATE FOR CIP	\$ 0.42	\$ 0.42	\$ 0.48	\$ 0.61	\$ 0.66	\$ 0.70	\$ 0.72	\$ 0.71	\$ 0.73	\$ 0.77
VALUATION (1.00% GROWTH PER YEAR)	\$ 4,261,835	\$ 4,304,453	\$ 4,347,498	\$ 4,390,973	\$ 4,434,883	\$ 4,479,231	\$ 4,524,024	\$ 4,569,264	\$ 4,614,957	\$ 4,661,106
Tax Rate Impact	\$ 0.04	\$ (0.00)	\$ 0.07	\$ 0.13	\$ 0.04	\$ 0.04	\$ 0.02	\$ (0.00)	\$ 0.02	\$ 0.06

Balance in Capital Project Accounts

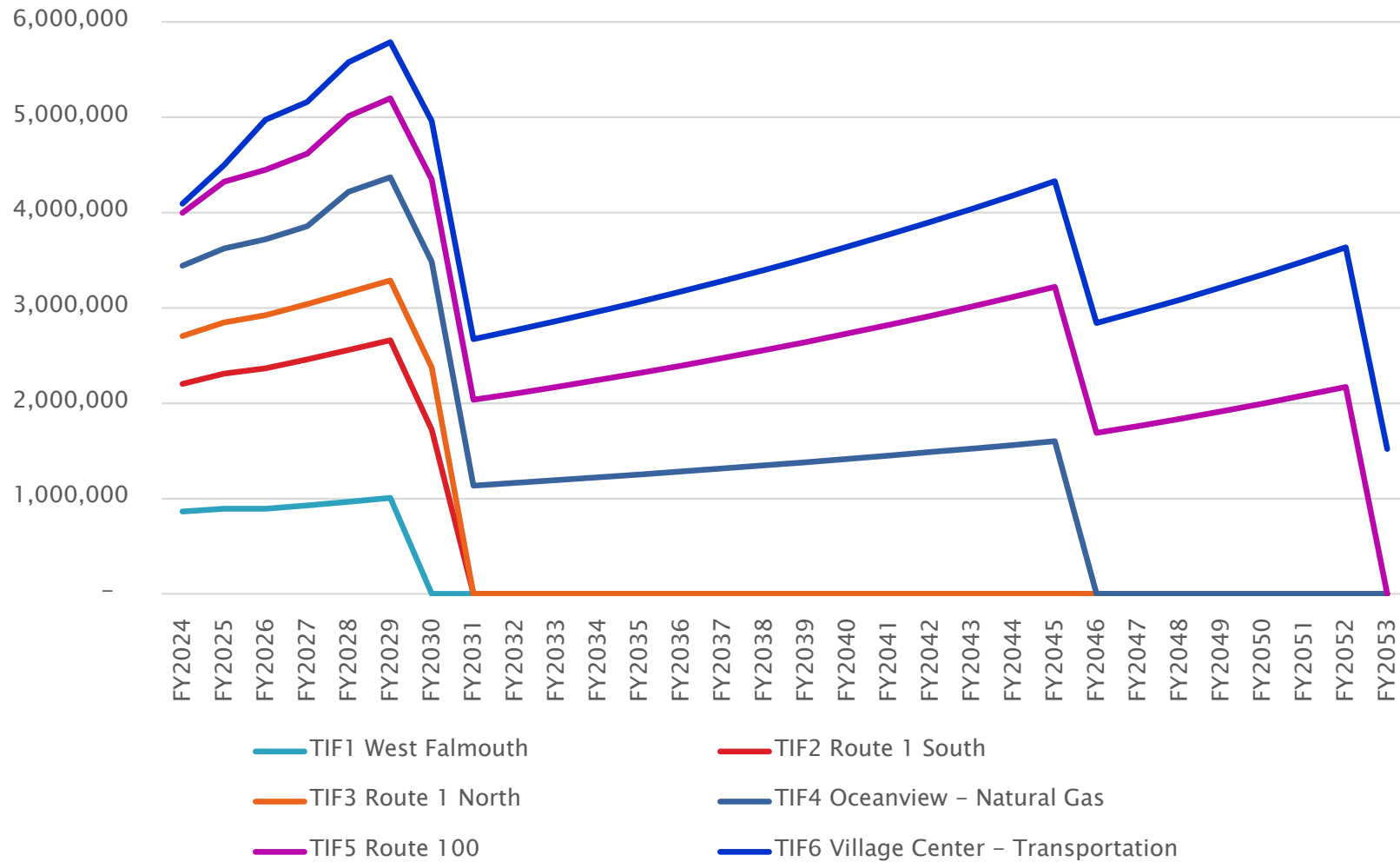


TIF Expenditures – FY2026 Total

TIF FY2026 Spending Proposal by District	TIF 1 West Falmouth	TIF 2 Rt 1 South	TIF 3 Rt 1 North	TIF 4 Oceanview / Nat Gas	TIF 5 Rt 100	TIF 6 Village / Transport	Total
Wages/benefits	237,311	239,768	233,447	307,867	-	-	1,018,393
Total Operations	12,000	91,363	69,945	11,050	1,500	-	185,858
Developer Credit Enhancement Agreement	-		35,629				35,629
Total Debt Service	416,552	677,138	-	-	-	-	1,093,690
Annual paving & drainage				635,000			635,000
Total Infrastructure Projects	-	148,000	1,300,000	100,000	-	-	1,548,000
Transfer to Public Safety improvements reserve		218,970	81,858	-	109,383	78,488	488,698
Total	\$ 665,863	\$ 1,375,239	\$ 1,720,879	\$ 1,053,917	\$ 110,883	\$ 78,488	\$ 5,005,268

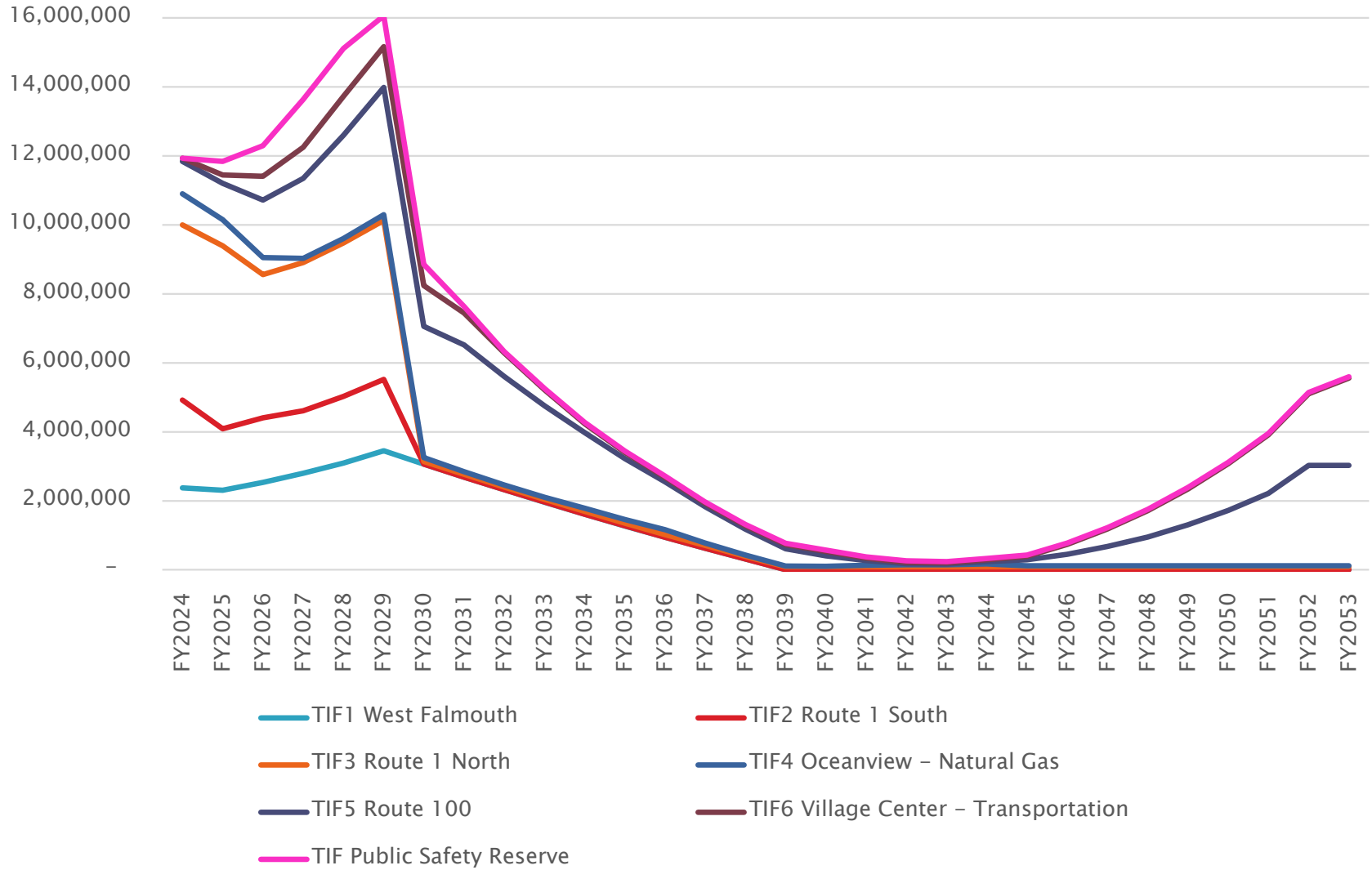
TIF Revenues

Projected TIF Revenues



TIF Fund Balances

Projected TIF Combined Fund Balances



Special Revenue – Summary by Fund

Department	Estimated Beginning Balance	GF Approp	Use of GF Fund Bal	Other Resources	Estimated Expense	Estimated Change	Estimated Ending Balance
General Government							
226 Invasives Fund *	1,391	14,000	50,000	-	64,000	-	1,391
212 Veterans Memorial Fund	6,279	-	-	-	2,000	(2,000)	4,279
213 General Assistance Fund	193,327	-	-	-	55,000	(55,000)	138,327
239 Short Term Rental	33,213	-	-	25,000	14,045	10,955	44,168
210 Employee Bottle Fund	1,850	-	-	150	250	(100)	1,750
211 Wellness Fund	1,862	20,000	-	3,000	23,000	-	1,862
234 Very Merry Falmouth Fund	55,070	-	-	35,000	20,000	15,000	70,070
240 Opioid Treatment Fund	231,585	-	-	49,320	-	49,320	280,905
Total General Government	524,577	34,000	50,000	112,470	178,295	18,175	542,752
Community Development							
223 Long Range Planning Fund	84,017	-	-	6,000	-	6,000	90,017
224 Property Revaluation Fund	35,388	-	-	-	-	-	35,388
232 Development Notice Fund	8,247	-	-	9,000	8,000	1,000	9,247
Total Community Development	127,652	-	-	15,000	8,000	7,000	134,652

Special Revenue – Summary by Fund

Department		Estimated Beginning Balance	GF Approp	Use of GF Fund Bal	Other Resources	Estimated Expense	Estimated Change	Estimated Ending Balance
Public Safety								
214	PD Detail Fund	52,095	-		22,000	19,448	2,553	54,648
216	PD Homeland Security Fund	-	-		2,200	2,200	-	-
215	PD Community Policing Fund	15,176	-		3,000	1,000	2,000	17,176
217	FD EMS Scholarship Fund	57,027	-		4,000	2,500	1,500	58,527
237	FD Community Fire/EMS	712	-		2,000	2,000	-	712
218	FD Detail Fund	24,243	-		24,000	23,648	352	24,595
Total Public Safety		149,253	-	-	57,200	50,796	6,405	155,658
Public Works								
219	Street Permit Fund	5,578	-		-	-	-	5,578
235	Natural Gas Expansion Fund	-	-		10,000	10,000	-	-
220	Street Disposal Bag/Compost Bin Fund *							
Total Public Works		5,578	-	-	10,000	10,000	-	5,578
Parks & Community Programs								
227	Parks Maintenance Fund	95,196	-		10,000	41,750	(31,750)	63,446
228	Parks Conservation Corps Fund	5,935	-		500	1,500	(1,000)	4,935
236	Trail Maintenance Fund	3,481	-		-	-	-	3,481
229	Recreation/ Adult Education Fund *							
Total Parks & Community Programs		104,612	-	-	10,500	43,250	(32,750)	71,862
Total Special Revenue Funds		\$ 911,672	\$ 34,000	\$ 50,000	\$ 205,170	\$ 290,340	\$ (1,171)	\$ 910,501

* see Operating Budgets 12/18/2024

Wastewater Treatment



WW Operations Budget

	<u>FY2025</u>	<u>FY2026</u>	<u>\$ Change</u>	<u>% Change</u>
Wages & Benefits	1,224,964	1,252,131	27,167	2.22%
Utilities, Maintenance & Operations	999,795	1,016,361	16,566	1.66%
Debt Service	1,036,876	1,068,800	31,924	3.08%
Transfers	250,000	250,000	-	0.00%
	<u>\$ 3,511,635</u>	<u>\$ 3,587,292</u>	<u>\$ 75,657</u>	<u>2.15%</u>

WW Future Debt Financed Projects

▶ FY28

- East Falmouth Phase 1 – Underwood & Handy Boat Pump Stations
- West Falmouth Phase 2 – Lunt Road Pump Station
- Mill Creek Interceptor Abandonment

▶ FY30

- East Falmouth Phase 2 – Clearwater and Brown St. Pump Stations
- Mackworth Point Interceptor
- Johnson Road Pump Station

▶ FY32

- Treatment Plant Upgrade

WW Rate Projections

Rates	FY2025 Budget	FY2026 Proposal	FY2027 Estimate	FY2028 Estimate	FY2029 Estimate	FY2030 Estimate	FY2031 Estimate	FY2032 Estimate	FY2033 Estimate	FY2034 Estimate	FY2035 Estimate
Ending Fund Balance	\$4,197,151	\$3,230,313	\$3,128,935	\$2,381,972	\$1,700,018	\$1,301,830	\$1,137,121	\$ 710,773	\$ 654,182	\$ 881,806	\$1,258,960
Rate Increase %	9.0%	4.0%	20.0%	4.0%	4.0%	25.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Monthly Rate	\$ 54.21	\$ 56.38	\$ 67.65	\$ 70.36	\$ 73.17	\$ 91.47	\$ 95.13	\$ 98.93	\$ 102.89	\$ 107.00	\$ 111.29
Annual Rate	\$ 650.52	\$ 676.54	\$ 811.85	\$ 844.32	\$ 878.10	\$ 1,097.62	\$ 1,141.52	\$ 1,187.19	\$ 1,234.67	\$ 1,284.06	\$ 1,335.42
TOTAL REVENUES	3,640,213	3,703,454	4,281,050	4,521,638	4,786,822	5,847,930	6,128,982	6,632,212	6,931,706	7,248,096	7,582,311
Operating Expenses	2,224,759	2,268,493	2,336,548	2,406,644	2,478,843	2,553,209	2,629,805	2,708,699	2,789,960	2,873,659	2,959,869
Capital Spending	1,176,000	1,333,000	992,000	865,000	1,020,000	910,000	920,000	895,000	795,000	795,000	945,000
Debt Service - issued:	1,089,075	1,068,799	1,053,879	701,957	693,433	684,909	676,385	667,861	659,337	650,813	642,288
Debt Service - projected:	-	-	-	1,295,000	1,276,500	2,098,000	2,067,500	2,787,000	2,744,000	2,701,000	2,658,000
Total Debt Service	1,089,075	1,068,799	1,053,879	1,996,957	1,969,933	2,782,909	2,743,885	3,454,861	3,403,337	3,351,813	3,300,288
TOTAL EXPENSES	4,489,834	4,670,292	4,382,427	5,268,602	5,468,777	6,246,118	6,293,690	7,058,560	6,988,297	7,020,472	7,205,157

WW Rate Comparisons

