



BATH
MAINE *City of Ships*

FINANCE DEPARTMENT

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Proposed 2022-2023 Budget

BUDGET MESSAGE

The proposed FY2023 total City budget of \$17,924,585 is increasing \$730,886, 4.25% from prior year budget. This increase is across all funds including the general, capital, sewer, and landfill funds. Non-tax revenue increases including revenue sharing, and sewer fees help offset the expenditures. With the increase in non-tax revenues, the City's portion of the tax effect is projected to increase \$107,278, .49%.

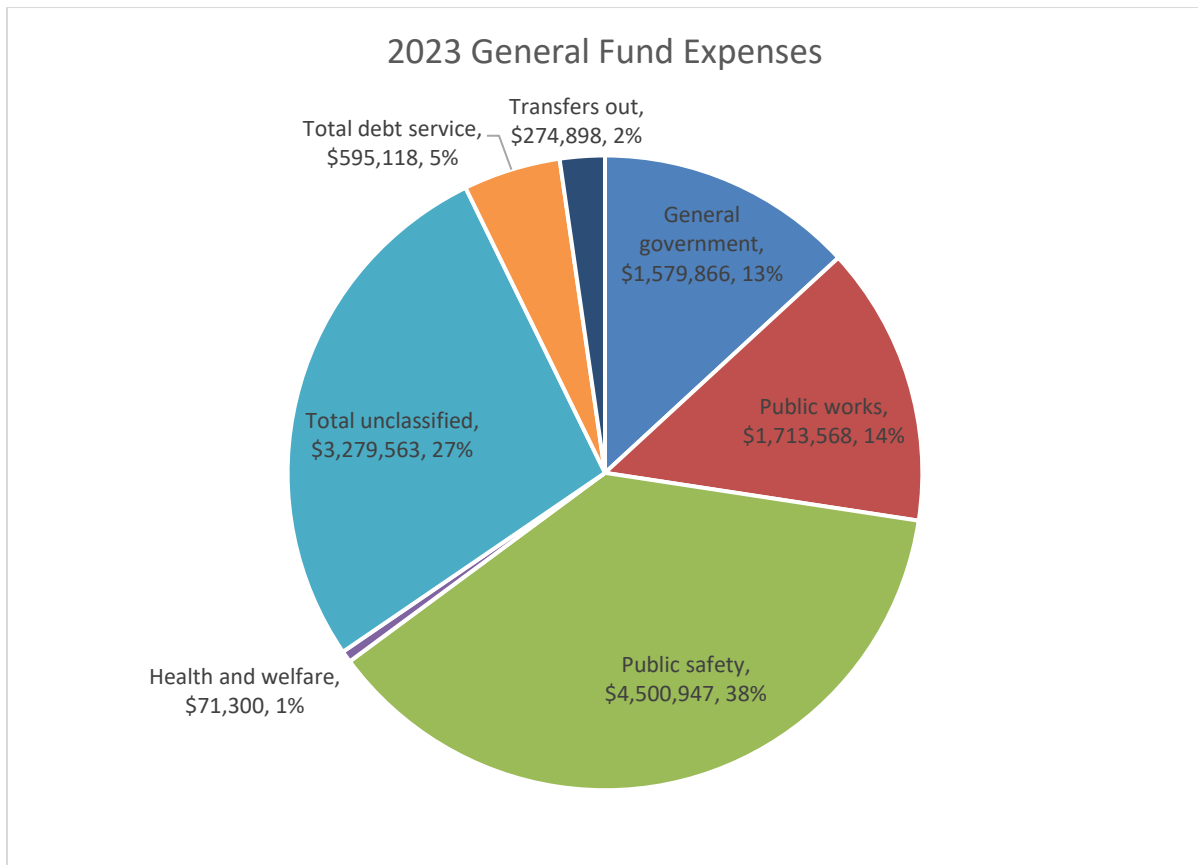
General Fund Budget

The general fund expenditures are increasing \$267,437, 2.28%. The biggest driver for the increase is personnel. The budget includes increases in salaries, retirement contributions, applied materials for Public Works and three new positions, including a Firefighter, an Assistant Codes Officer and a Director of Sustainability and Environment. Changes made to the City Charter has given the City room under the expenditure limitation to add these critical positions, and fully funded revenue sharing at the state level has given the City the resources to make it happen without increasing taxes. These increases are offset by a decrease in funding of the bus (the federal government has extended its 100% funding), no further debt payments on the Armory, workers compensation and reduced general obligation debt payments.

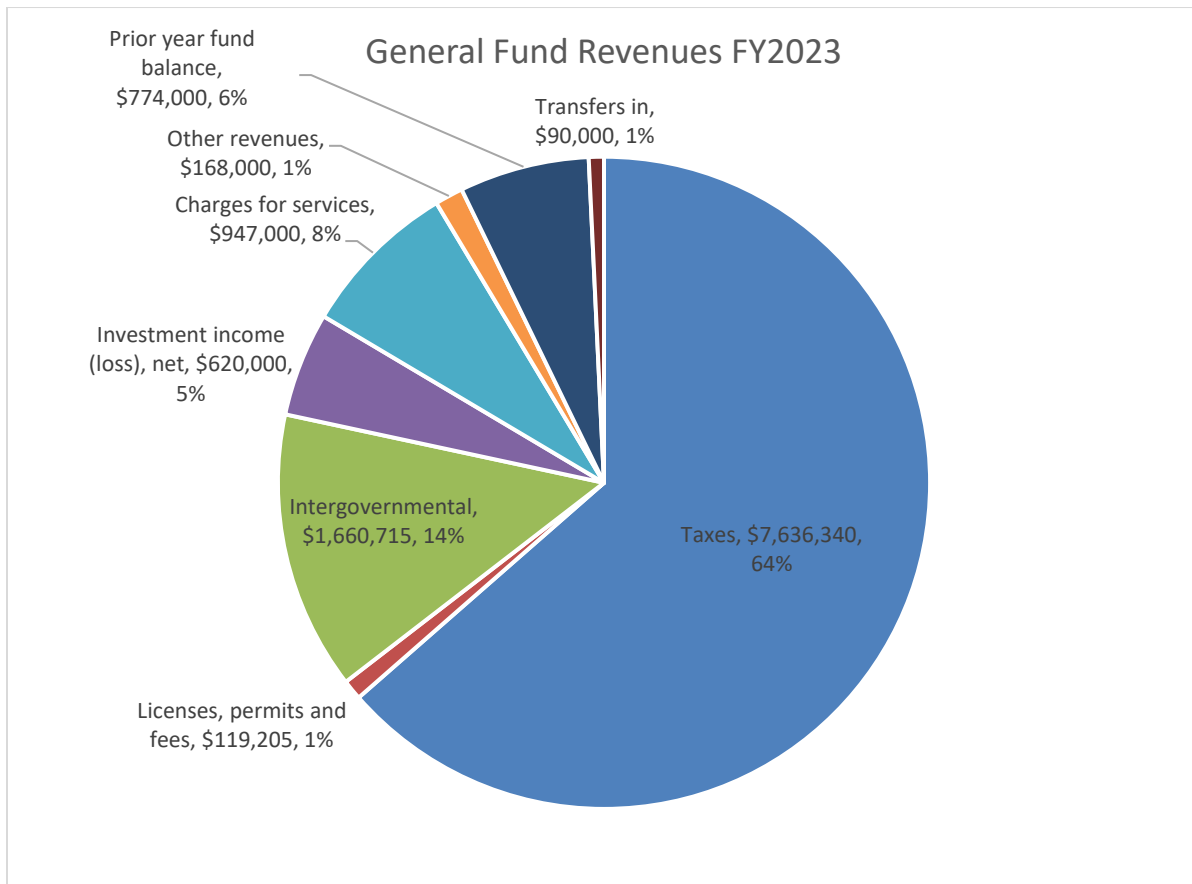
The largest revenue increase is State Revenue Sharing (up \$556,678 or 52.32%). State Revenue Sharing is the program that provides municipalities with a share of State income and sales taxes. The State has budgeted a return to the full 5% funding of revenue sharing for FY23. Increased revenues also include parking fees, excise tax, and fund balance carryover. These increases are offset by a reduction in taxes to the general fund.

Although taxes are not decreasing - \$586,000 of unsheltered Wingfarm TIF money will now be sheltered in the Wingfarm TIF saving the City tax shift funds of approximately \$293,000. Since the City charter amendment has made TIF expenditures exempt under the expenditure limitation, the City will benefit from the tax shift and completing projects within the TIF. An additional \$200,000 of tax funding has moved from the general fund to the capital fund. Taxes in the general fund are projected to increase approximately \$95,000.

CITY OF BATH, MAINE				
General Fund				
FY 2023 Budget with comparisons to FY 2022				
			Variance	
	Budget	Budget	positive	
	2022	2023	(negative)	
Expenditures:				
General government	1,549,465	1,579,866	30,401	1.96%
Public works	1,671,539	1,713,568	42,029	2.51%
Public safety	4,365,728	4,500,947	135,219	3.10%
Health and welfare	76,250	71,300	(4,950)	-6.49%
Total unclassified	3,149,865	3,279,563	129,698	4.12%
Total debt service	652,510	595,118	(57,392)	-8.80%
Transfers out	282,466	274,898	(7,568)	-2.68%
Total expenditures	11,747,823	12,015,260	267,437	2.28%

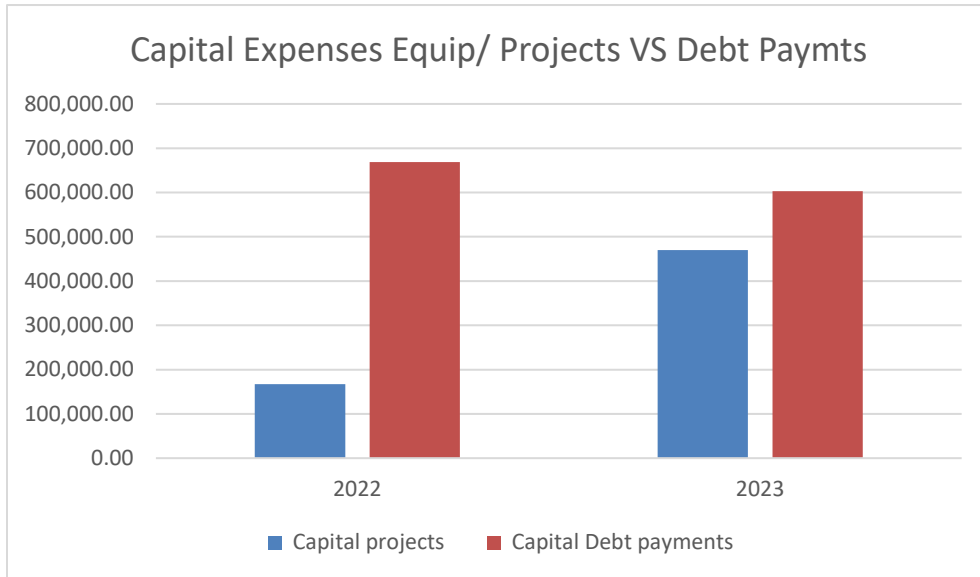
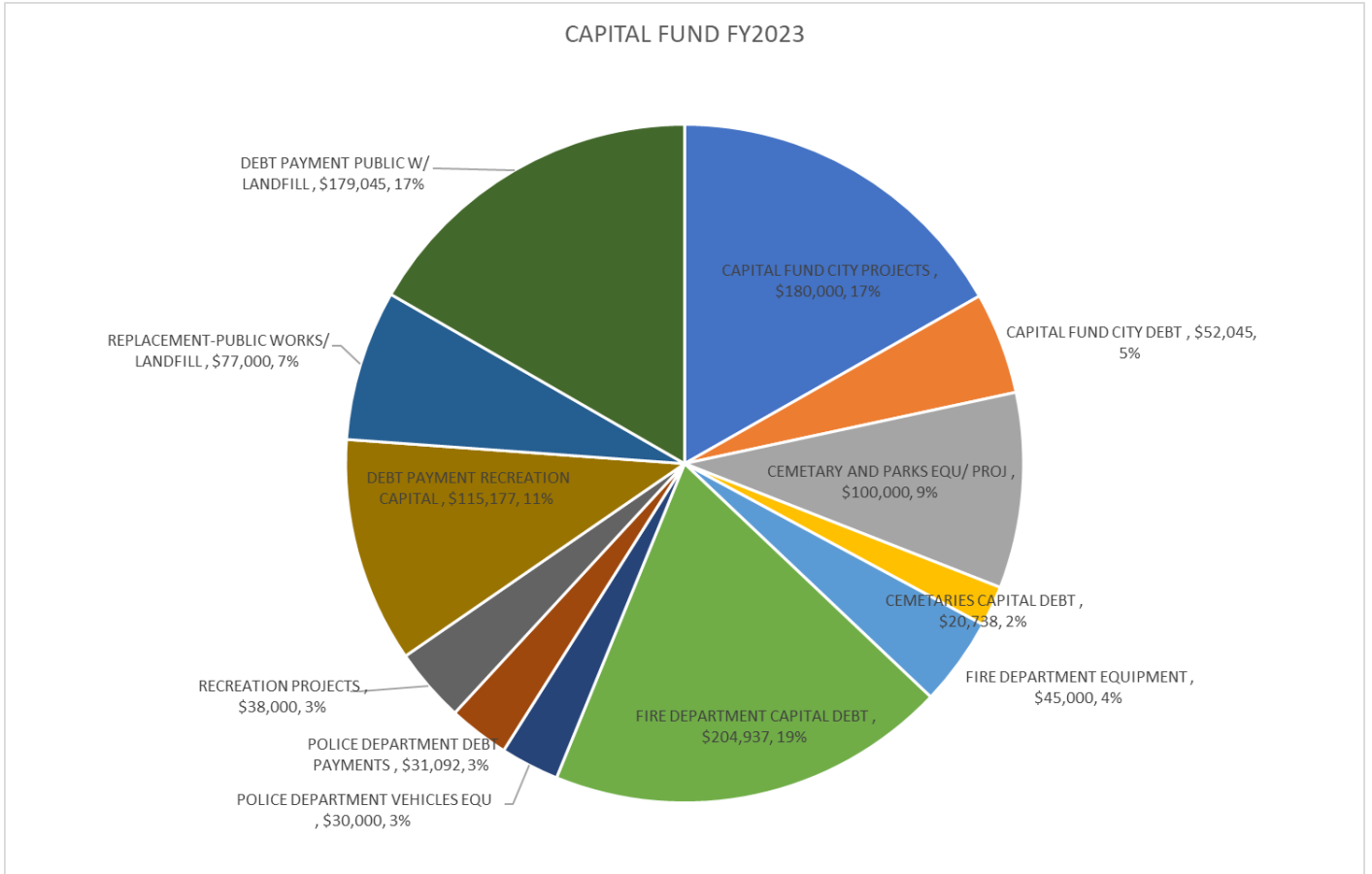


CITY OF BATH, MAINE				
General Fund				
FY 2023 Budget with comparisons to FY 2022				
	Budget	Budget	Variance	
	2022	2023	positive	
			(negative)	
Revenues:				
Taxes	8,287,500	7,636,340	(651,160)	-7.86%
Licenses, permits and fees	96,700	119,205	22,505	23.27%
Intergovernmental	1,109,037	1,660,715	551,678	49.74%
Investment income (loss), net	625,000	620,000	(5,000)	-0.80%
Charges for services	891,200	947,000	55,800	6.26%
Other revenues	163,436	168,000	4,564	2.79%
Utilization of prior year fund balance	485,000	774,000	289,000	59.59%
Transfers in	89,950	90,000	50	0.06%
Total revenues	11,747,823	12,015,260	267,437	2.28%



The Capital Fund expenditures are increasing \$237,438 (28.42%). The main drivers for the increase are replacement of vehicles and equipment and building maintenance and improvements. Debt payments on capital equipment has decreased \$40,893 or 6.98%. Equipment and improvement expenditures have increased \$263,000 or 136.98%. It is estimated that over the next five years, the City will save \$65,000 in interest on these funded capital items. Due to the increased amount of revenue sharing in the general fund the City was able to allocate tax dollars to these much-needed updates. The changes in the City Charter expenditure limitation gave the City room to pay for these purchases with tax dollars, not finance them.

CITY OF BATH, MAINE					
CAPITAL FUND					
FY 2023 Budget with comparisons to FY 2022					
				Man Req vs	Man Req vs
		2022	2023	Curr Bud	Curr Bud
		Manager	Manager	Change \$	Change %
CAPITAL FUND CITY PROJECTS		95,000.00	180,000.00	85,000.00	89.47%
CAPITAL FUND CITY DEBT		86,653.00	52,045.00	(34,608.00)	- 39.94%
CEMETARY AND PARKS EQU/ PROJ		0.00	100,000.00	100,000.00	#DIV/0!
CEMETARIES CAPITAL DEBT		37,431.00	20,738.00	(16,693.00)	- 44.60%
FIRE DEPARTMENT EQUIPMENT		0.00	45,000.00	45,000.00	#DIV/0!
FIRE DEPARTMENT CAPITAL DEBT		216,496.00	204,937.00	(11,559.00)	- 5.34%
POLICE DEPARTMENT VEHICLES EQU		12,500.00	30,000.00	17,500.00	140.00%
POLICE DEPARTMENT DEBT PAYMENTS		40,512.00	31,092.00	(9,420.00)	- 23.25%
RECREATION PROJECTS		10,000.00	38,000.00	28,000.00	280.00%
DEBT PAYMENT RECREATION CAPITAL		100,663.00	115,177.00	14,514.00	14.42%
REPLACEMENT-PUBLIC WORKS/ LANDFILL		49,500.00	77,000.00	27,500.00	55.56%
DEBT PAYMENT PUBLIC W/ LANDFILL		186,841.00	179,045.00	(7,796.00)	- 4.17%
		835,596.00	1,073,034.00	237,438.00	28.42%
	Capital projects	167,000.00	470,000.00	303,000.00	181.44%
	Capital Debt payments	668,596.00	603,034.00	-65,562.00	- 9.81%
		835,596.00	1,073,034.00	237,438.00	28.42%



The landfill fund expenditures are increasing \$66,327 (3.61%). The increase is due to professional services associated with the landfill license, recycling, and curbside collection, offset by a reduction in debt service. This increase is funded by fund balance carryover.

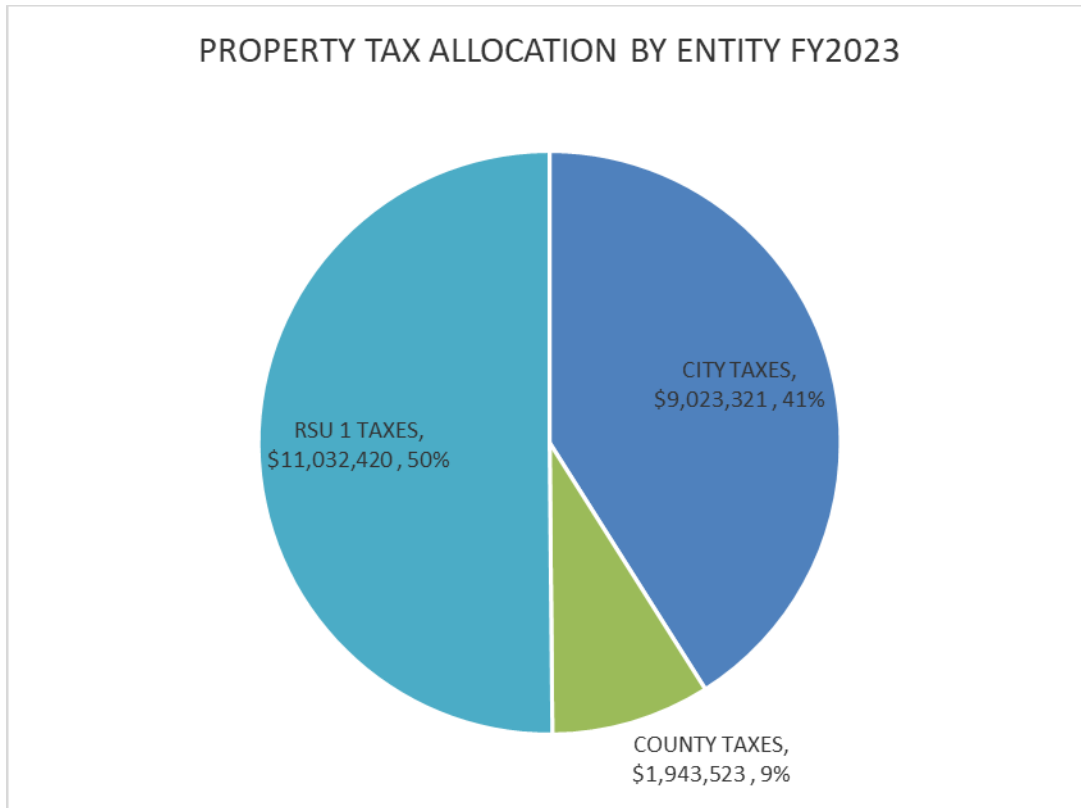
The sewer fund expenditures are increasing \$131,189 (5.38%). The increase comes from financing the last of the 2015 \$9.8M sewer bond through SRF. This fiscal year will be the first payment. There is also an increase in chemical expense. The sewer fund will see an increase in rates of 5%.

The RSU 1 is projecting a \$269,786 budget increase (2.43%). The RSU received additional state subsidy funding in October of 2022 to help offset taxes in municipalities. The amount received was \$316,789. When applied to the projected tax assessment the RSU 1 taxes will decrease \$77,394 or -.35% tax effect.

The projected budget for Sagadahoc County is increasing \$37,029 (1.94%) and a tax effect of .17%.

**FY 2023 BUDGET TOTALS WITH PROPERTY TAXES TO BE RAISED
INCLUDES FY 2022 FOR COMPARISON PURPOSES**

CITY TAXES	\$	8,916,043	\$	9,023,321	\$	107,278	0.49%
COUNTY TAXES	\$	1,906,494	\$	1,943,523	\$	37,029	0.17%
RSU 1 TAXES	\$	11,109,814	\$	11,032,420	\$	(77,394)	-0.35%
TOTAL PROPERTY TAXES	\$	21,932,351	\$	21,999,264	\$	66,913	0.31%



Total tax projected tax increase of .31%.

This equates to approximately an \$12 increase in taxes on a home valued at \$200,000. As a reminder, the City tax rates will be based on the amount of taxes needed to be raised divided by the assessed valuation. If there is an increase in City value, the estimated tax rates will decrease, but if there is a decrease in the City assessment the tax rate will increase.