



To: The Residents of Casco
From: Tony Ward, Town Manager
Date: 05-06-2024
Re: FY25 Proposed Budget

On behalf of the Casco Selectboard, I am presenting the following budget discussions summary, the basis for increases associated with the FY 2025 budget and the current financial status of the Town of Casco. The Selectboard and Finance Committee encountered many fiscal challenges as they thoroughly discussed and considered each of the proposed budget lines. These discussions focused on meeting the needs, wants and expectations of Casco residents while remaining cognizant of the effects of these considerations on property owners. The information provided below outlines the discussions related to individual budget lines that increased outside the norm. We hope this facilitates positive and constructive dialogue at our Town Meeting on June 5th at 6:30 pm.

The Town's current financial status is sound with minimal long-term debt services. According to the draft FY 2023 audit, the Town's Unassigned Funds Balance is \$4.6 million. Of this amount, the Town committed \$660,600 for capital projects and tax minimization during the June 2023 Town Meeting. At that time, the Town approved the following uses of the Unassigned Funds:

- \$190,000 for removal and upgrades of Town owned fueling system
- \$205,600 for FY24 road repairs or improvements to Leach Hill Road, Quaker Ridge Road, Sunny Hill Road, Overlook Lane and Moose Run
- \$15,000 for the purchasing of mobile radios for the Fire Department
- \$250,000 for repairing, ditching, and paving of New Road and South Casco Village Road.

These approved expenditures were not included in the above audit amounts, which means the current unassigned funds balance is closer to \$3.94 million. Our auditors recommend that Towns maintain a 3-month reserve in their unassigned funds, which is approximately \$3 million for the Town of Casco.

Planning

The FY25 budget proposal includes funding for a full-time planner. Planning services are currently contracted, but not completely included in the FY24 budget. The Comprehensive Plan, approved in 2024, requires dedicated staff to review and assist with Implementation Committee recommendations relating to Town land usage. Additionally, the Town is experiencing more complex planning applications that require additional review and staff time commitment. The full-time planner would provide planning services for the Code Enforcement Office and Planning Board. This position would also provide staff support or guidance for the Comprehensive Plan Implementation Committee and the Ad Hoc Committee for Complete Streets/Vision Zero. The FY25 budget includes funding for 10 months of employment and benefits for this position. The total estimated costs associated with the Planner position for FY25 are \$93,350.

Law Enforcement

The FY25 budget proposes a contract with Cumberland County Sheriff's Department for 40 hours of dedicated law enforcement services within the Town of Casco. The current level of law enforcement is provided by Cumberland County rural patrol. These officers are not dedicated solely to our community and these rural deputies cover a large geographic area. A contracted deputy provides law enforcement coverage dedicated to the contract community. This contract provides greater focus on local concerns and more dedicated problem-solving opportunities. A contracted deputy is also authorized to provide ordinance enforcement that rural deputies are unable to provide.

The most substantial costs would occur in year one for these contracted services. The Sheriff's Department estimates the initial equipment purchase at approximately \$113,000 to cover the initial cost of a cruiser and deputy equipment. The Town will retain ownership of the cruiser upon separation of the contract or future cruiser upgrade. The estimated annual costs associated with this contracted law enforcement service is \$155,600.

Animal Control

Animal Control (ACO) services are provided on a regional basis. The ACO covers the Towns of Casco, Naples and Raymond. The ACO is a Town of Casco employee, and the other Towns are billed for their share of Animal Control services. The FY25 ACO budget is \$127,789 and Casco receives approximately \$90,000 in revenue. The proposed FY25 ACO budget is increasing by \$15,552. This increase reflects the hiring of a part-time Animal Control Officer to provide increased coverage outside the primary ACO's scheduled hours.

Insurance and Benefits

Costs associated with employee benefits and the daily operation of the Town continue to rise with substantial increases for FICA/Medicare/retirement and workers' compensation insurances.

Bulky Waste/Transfer Station

The portions of the operating budget subsidized by Casco and Naples decreased from FY24 to FY25. The noticeable increase in the FY25 budget line is due to a funding model correction. Numerous transitions in the Town governments created a loss of institutional knowledge, which created a funding shortfall of Casco's tipping fees for Municipal Solid Waste and Recycling with Eco Maine. Over the past few years, these fees were subsequently absorbed into the Town's unexpended funds. The FY25 budget reflects the transfer of these expenditures to the Bulky Waste/Transfer Station cost center.

Debt Services

The Debt Service budget for FY25 increases by \$59,932 if the capital budget passes as presented. The proposed budget includes the required 2017 bond payment of \$278,438 and the 2023 Fire Engine lease purchase payment of \$85,494. The current proposed budget includes utilizing \$176,865 in unassigned funds to pay off the lease purchases for the 2024 GMC one-ton truck and 2023 John Deere Backhoe. If the unassigned funds are not approved for this allocation, the Town must raise an additional \$59,303 for lease purchase payments.

Capital/Road Projects

The proposed raised and appropriated portion of the capital project budget is a \$621,914 increase over

FY24. This budget line reflects the proposed increase in raised and appropriated funds but does not accurately reflect the funds spent on Capital projects. In FY24, the Town approved the appropriation of \$750,040 from capital accounts and unassigned funds for road projects. In addition, the Town authorized \$410,000 for other capital projects using capital reserve accounts, unassigned funds, and American Rescue Plan Act funds. Thus, the total spent on capital projects in FY24 was \$1,160,040.

The FY25 budget proposes utilizing \$333,300 from unassigned funds for four capital projects: Meeting House, Community Park, Public Works plow truck and Fire Department portable radios. The two major road projects that totaled \$621,914, if approved, would be funded by property taxes. The total proposed capital budget for FY25 is \$955,214 or \$204,826 less than FY24 expenditures. The Selectboard decided to utilize current property taxes due to the necessity for long-term sustained funding for the maintenance of Town roadways. The current estimate for improvements and maintenance needed for Town roads to be considered in good status is \$16,000,000.