

Analysis of Costs by Department

Additional detail is contained within each Department's budget explanatory section.

Administration: Up 4.46%. \$34,839.

- Salaries and related payroll items increase of \$5,956 due to scheduled longevity/step increases. The majority of the increase is due to the budgeting of a one month transition between the retiring Town Clerk and the new Town Clerk in June of 2016.
- Retirement costs through MSRS and ICMA have been adjusted to reflect actual employee participation costs. The employer cost share has also increased 1.1%.
- RHSP adjusted yearly to reflect qualifying employee time towards the benefit.
- Health insurance adjusted to reflect employee changes and projected rate increase.
- Training and Travel/Meetings have both increased due to the need for additional training for staff and supervisory/management training for Department Directors.
- Expert/professional increased by \$11,300 to reflect the cost of benefit fees for insurance benefits as well as additional contracted IT services. Currently, the Town has a limited contract with the County, but is in need of additional IT services to proactively safeguard Town databases, programs and offer support in the integration of software across multiple platforms. Programs include Trio for finances and taxes, Vision for assessing, Perform Record System and Code Red for police, Municipal Geographic Management System for Code Enforcement and GIS for mapping.
- Data Processing increase of \$3,500 due to software licensing increases as well as upgrades in Microsoft Office products. Most Town office staff currently use Microsoft 2003.
- Postage increase of \$2,000 due to actual usage. Usage has been higher over the past few years with tax reminder notices, lien collection processes and postage fee increases. Mailings for the lien process including demand notices, liens, and foreclosures are by certified mail which is currently \$6.48 per item.

- Ballot machine has decreased by \$1,900 due to moving election expense to Town Meeting and reduced expenditures due to no gubernatorial election.
- Town meeting expense has increased due to the movement of \$1,200 of expense from Ballot Machine line item to Town Meeting expense.

Zoning Board of Appeals: Down 3.64%. (\$20)

- Increase in training and education for new board members + \$80.
- Decrease in advertising costs due to few applications - \$100.

Conservation Commission: No Increase

- Budget lines have remained flat.

Growth Planning Committee: No Increase.

- Budget lines have remained flat.

Legal Fees: Down 13.75%, (\$22,000)

- Decrease in legal fees in ordinance development, ordinance compliance, enforcement and appeals, special project and contracts, and Goose Rocks Beach. It is anticipated that this will be the final year of funding for the Goose Rocks Beach litigation. Decreases are due to actual usage as well as anticipated case load.

Insurance: Down .61%, (\$799)

- Budget lines have remained flat overall. There has been a reclassification of expenses between line items to reflect the actual billing from our insurance company.

Community Development: Increase 8.15%, \$2,000.

- Operating supplies include an increase to install a projector and screen in the meeting rooms to improve public participation in meetings. It will allow for presentations as well as the transmitting of those presentations to home viewers.

Planning and Development: Decrease 5.65% (\$19,818)

- Salaries and related payroll items up due to increase in scheduled steps/longevity.
- MSRS and ICMA adjusted to reflect actual employee participation as well as increase in employer share of 1.1%.

- RHSP adjusted yearly to reflect qualifying employee time.
- Health insurance adjusted to reflect employee changes - \$6,877.
- Dues and fees increase due to SMRP fees increase.
- Expert/professional services decrease due to less funding required due to completion of FEMA flood plain study - \$13,400.
- Data processing increase due to software licensing fee increase.

Police: Down .08%, (\$1,104).

- Salaries and related payroll items decrease due to new employee wages at a lower rate than retired employee - \$2,753.
- Summer Salaries decreased due to summer officers' equipment being reclassified to uniforms account - \$2,645.
- Overtime wages have decreased due to hiring a new officer and filling the vacant position - \$10,000.
- FICA decrease reflects actual percentage of current wages. - \$1,389.
- MSRS and ICMA adjusted to reflect actual employee participation and 1.1% increase in employer cost share + \$2,123.
- RHSP adjusted yearly to reflect qualifying employee time +\$2,560.
- Health insurance adjusted to reflect employee changes and projected rate increase +\$13,655.
- Travel and meetings/Training have decreased due to full staffing and all officers will be certified \$1,200 and - \$2,000.
- Uniforms have increased due to reclassification of summer officers' equipment to uniforms' account +\$750.
- Operating supplies have increased slightly for radar recertifications.
- Equipment has increased due to the reclassification of tire expense from the fuel account to equipment +\$1,000.
- Ammunition has decreased slightly due to the fact that there are no vacancies and hence no testing for new officers.
- Gas has been decreased to more accurately reflect usage -\$1,000.

Communications: Up 1.09%, \$4,567.

- Overtime increase reflects mandatory shift coverage once a month for reserve dispatchers to remain current on operations +\$500.
- MSRS and ICMA adjusted to reflect actual employee participation, decrease reflects actual participation. MSRS - \$1,269, ICMARC +\$1,804.
- RHSP adjusted yearly to reflect qualifying employee time
- Health insurance adjusted to reflect employee changes and projected rate increase +\$3,797.
- Heating fuel decrease due to locking in fuel contracts early - \$3,900.
- Data processing increase due to state fees for access to Bureau of Motor Vehicles database +\$500.
- Maintenance contracts increase due to the reclassification of IT services from the Salary expense line. - \$3,000.

Fire: Down 1.86%, (\$7,192)

- Salaries remain flat; however, Call firefighters and related payroll items decreased to more accurately reflect call volume - \$2,151.
- MSRS and ICMA adjusted to reflect actual employee participation - \$1,013.
- RHSP adjusted yearly to reflect qualifying employee time.
- Health insurance adjusted to reflect employee changes and projected rate increase +\$1,470.
- Training and Education decreased to more accurately reflect usage - \$1,000.
- Physicals decreased to more accurately reflect usage - \$2,000.
- Electricity adjusted to reflect historical usage -\$500.
- Telephone adjusted to reflect historical usage +\$300.
- Heating fuel decrease due to locking in fuel contracts early -\$550.
- Workers Comp decreased to reassign expense to supplemental insurance expense line - \$6,520.

- Supplemental Insurance is a new line item that more accurately depicts the insurance purchased +\$6,520.
- Equipment adjusted to reflect historical usage - \$790.
- Personal Protective Equipment adjusted to reflect historical usage - \$1,090.
- Goose Rocks Fire/Cape Porpoise Fire increase based on scheduled CPI increase +\$320.

KEMS: Down 7.30%, \$8,500.

- KEMS decrease in requested funding.

Emergency Management: No Increase.

- Budget lines have remained flat.

Animal Control Officer: No Increase.

- Budget lines have remained flat.

Harbormaster: Up 10.49%, \$1,972.

- River Harbormaster has seen an increase in the requested cost share from Kennebunk. The account also includes an increase of \$1,500 for shared maintenance of river pumping station. This station was previously provided by a private marina; however, they will no longer provide the service.

Solid Waste: Up 1.83%, \$8,132.

- Fees are based upon contractual agreements, experiencing a slight increase in curbside collections and recycling +\$3,132 or 1.32%.
- Monitoring costs have increased +\$5,000 due to a one-time cost to close two monitoring wells in accordance with Maine DEP rules.

Health: Up 7.33%, \$11,767.

- Salaries and wages and related benefits include the restructuring of the current department to decrease the hours of the staff nurse and include the position of Assistant Director of Public Health. There is the addition of 5 hours per week plus a wage differential to create a succession plan over a multi-year period to train the next Director of Public Health +\$8,124.
- MSRS and ICMA adjusted to reflect actual employee participation as well as a 1.1% increase in employer contribution +\$3,461.
- RHSP adjusted yearly to reflect qualifying employee time.
- Health insurance adjusted to reflect employee changes and projected rate increase.
- Office supplies increase for ink replacement cartridges.
- Photocopier increase due to higher volume of copies.
- Building maintenance decrease due to some work which was planned and has now been completed - \$200.
- Unacceptable waste decrease due to lower volume -\$300.
- Healthy Maine Beach has been transferred to the Public Health Department rather than an individual department +\$500.

Welfare: Down 25.15%, (\$1,075).

- Office supplies decreased by \$75.
- Welfare decreased by \$1,000 due to projected eligibility of clients based on State requirements.

Social Services: Down 2.86%, (\$750).

- Most requests in alignment with the recommendations of the Budget Board Social Services Subcommittee. Manager did not increase beyond requested dollars.

Shellfish Conservation: Down 25.84%, (\$1,500).

- Decrease of \$1,500 due to a one-time expense in 2015 of the purchase of seedlings and reconstruction of an upweller.

Water Quality Program: Down 100%, (\$500).

- Moved expense to Public Health Department.

Public Restrooms: Up 3.17%, \$1,000)

- Dock Square restrooms increase due to extended length of time open as well as increase in contractual cleaning costs. Expenses are reimbursed by the Dock Square account.

Highway: Up 2.98%, \$21,607.

- Salaries and related payroll items increased to reflect scheduled steps/longevity increases. FICA increase related to overtime increase +\$1,134.
- Overtime wages increased to reflect actual usage +\$13,000. The account was underfunded for a few years and will be again in FY15.
- MSRS and ICMA adjusted to reflect actual employee participation and increase in employer cost share by 1.1%. Retirement is also impacted by overtime + \$4,094.
- RHSP adjusted yearly to reflect qualifying employee time.
- Health insurance adjusted to reflect employee changes and projected rate increase. Employee change in health insurance coverage +\$12,138.
- Uniforms have increased slightly to accommodate an increase in boot reimbursement +\$360.
- Culverts have decreased slightly to reflect actual usage -\$1,500.
- Gravel has decreased slightly to reflect actual usage -\$1,000.
- Liquid road treatment has increased by \$3,000 to allow for additional purchase of magnesium chloride which allows us to control salt and sand costs.
- Gasoline consumption is down, decrease of \$2,000.
- Repairs for Vehicles and Equipment decrease of \$8,000. Adequate vehicle replacement schedule and full time mechanic should decrease repair costs.

Mechanic: Up 1.91%, \$1,987

- Salaries and wages have decreased slightly to more accurately reflect the full time schedule of a new mechanic. The Town has budgeted accordingly for a succession plan for the retirement of our mechanic and the transition to a new mechanic. -\$717
- MSRS and ICMA adjusted to reflect actual employee participation for a full-time employee status. +\$2,982
- RHSP adjusted yearly to reflect qualifying employee time.
- Health insurance adjusted to reflect employee changes and projected rate increase for transition of mechanics +\$1,842.
- Heating fuel decrease due to locking in fuel contracts early -\$2,200.

Utilities: Up 5.33%, \$8,705.

- Fire hydrants increase of 3% projected for all KKW accounts +\$3,485.
- Streetlight contract expired and new contract equates to 11% increase in rates +\$5,220.

Conservation Shade Tree: Up 3.84%, \$1,250.

- Miscellaneous increase due to GIS data management for use of new tree software acquired through State grant +\$1,250.

Cemetery: No Increase.

- Budget lines have remained flat.

Recreation: Up 4.08%, \$13,166.

- Summer salaries have increased in order to hire Day Camp Director. Camp has seen increased enrollment and a Director is needed to maintain safe camper to counselor ratios +\$5,200. Revenues have also increased to offset expense.
- After School salaries have increased due to wage increase from \$8 to \$9 per hour in order to attract applicants +\$963.
- FICA increase is reflective of wage increase +\$470.
- MSRS and ICMA adjusted to reflect actual employee participation and 1.1% increase in employer cost share +\$1,583.

- RHSP adjusted yearly to reflect qualifying employee time.
- Health insurance adjusted to reflect employee changes and projected rate increase +\$3,143.
- Heating fuel decrease due to locking in fuel contracts early -\$200.
- Operating supplies increase for the purchase of materials to repair warming hut +\$500.
- Program events increase due to program offerings +925. Revenues will offset these expenses.

Graves Library: Up 4.35%, \$5,000.

- Increase in requested funding.

Cape Porpoise Library: Up 13.42%, \$1,500.

- Increase in requested funding.

Parsons Way: Up 9.38%, \$300

- Increase in requested funding for eradicating plants.

Goose Rocks Beach: Up 16.67%, \$5,000

- Remaining balance at year-end to be put in a reserve and the difference replenished each fiscal year. The Town is required to maintain \$126,000 for available funding. This amount reflects anticipated balance at end of FY15.

Local Circuit Breaker: Up 100%, \$20,000

- New program adopted in November of 2015. This funding allows the program to continue as in previous years. No funding was required in FY 15 as the program had been eliminated by the State.

Contingency: Up 91.24%, \$54,742.

- Salaries/wages reserve account funded due to the expiration of all union contracts. Reserve funds placed in contingency account in anticipation of union negotiations for FY16 and beyond +\$52,967. The account shows a \$20,000 appropriation for FY 15; however, that was used for accrued liabilities in past years. We have separated the accounts in FY 16 – see account 10-19.

- Accrued liabilities have been reclassified from Salaries and Wages expense line. This account funds liabilities for retiring employees. Any balance will go to a reserve fund. This account description line is new this year, but funding levels are flat in comparison to FY15.
- MSRS/ICMA reserve due to the expiration of all union contracts. Wage increases budgeted in the line item above will impact contributions to retirement accounts +\$6,412.
- Fuel decrease due to locking in heating contracts; however, a smaller funding level will allow us some flexibility in meeting department needs due to unexpected weather and gas and diesel increases -\$5,000.
- Miscellaneous account remains flat. Account covers the cost of unanticipated expenses.

-Miscellaneous Agencies: Up 13.78%, \$1,003.

- Memorial Day decrease due to not renting a public address system -\$75.
- Dock Square Monument increase in requested funds +\$78.
- Kennebunkport Historical Society did not request funding.
- Chamber request for funding was \$2,500. Manager request is \$1,000.

Capital Costs Analysis

The Town Manager's budget submittal includes a multi-year capital improvement program covering from FY16 to FY20. The greatest need looking forward is in road improvements, Highway Department vehicle replacement, Fire Department apparatus replacement, and building improvements across several departments. The Capital account has decreased by \$174,141 in comparison to FY15; however, this decrease includes the one time Government Wharf dredging project that was appropriated at the November election from the fund balance. Eliminating this \$200,000 appropriation from the equation equates to an increase of \$25,859 or 1.97% increase.

Immediately below is the analysis of FY15 capital budget requests by department.

Administration: \$42,500

- Equipment request of \$7,500 due to upgraded computer hardware and software including servers and email system.
- Historic Preservation: \$5,000 allocation for ongoing preservation of historical documents at Town Hall.
- Building Improvements request of \$30,000 to finish energy efficiency projects and repairs at Town Hall. Any balance will be placed in a reserve account for future Town Hall renovations to include better document management storage and a small meeting room.

Police: \$29,500.

- Vehicles request of \$29,500 to replace the 2012 Dodge Charger.

Communications: \$100,000.

- Building Improvements request of \$100,000 for Police Department addition and renovations. Funds to be placed in the communications reserve fund. The needs at the Police facility include expanding the existing space to enable the building to function as an operations center during emergency response situations, such as tropical storms, hurricanes, and severe winter weather. In addition, the building is not in compliance with required security protocols related to general public access to areas dedicated to police operations. The meeting room in particular should be reconfigured to allow for separate entry from the outside so that people who have not been screened for security clearance may continue to use that portion of the building. The Town can continue to contribute to reserve fund over time or borrow the remaining funds over a short time period.

Fire: \$180,500.

- Equipment request of \$23,000 to purchase replacement SCBA bottles (\$12,000) and begin the rebuild of the Jaws of Life (\$11,000). The Fire Department has over 140 air bottles that must be replaced no later than 15 years from date of purchase. The Department has developed a replacement schedule through 2021 that will allow for a consistent budget allocation. The rebuild of the Jaws of Life will take place over a three year period.
- Building Improvements request of \$15,000 to complete the repair projects needed at Village Fire Station (\$10,000) and replace the heater in the truck bay at Wildes District Station (\$5,000).
- Fire apparatus reserve request of \$115,000 to replace Ladder 4 or Engine 33. The Department has completed a long-term replacement schedule for all fire apparatus through 2034. This plan projects the use of funding from the Kittredge and Seavey trust funds as well as town appropriations.
- Firefighter PPE request of \$17,000 to purchase replacement personnel protective equipment on a rotation basis for firefighters. The Department must perform annual testing of 100 personnel who may wear airtight masks in performance of duties. In addition, the Department replaces at least 9 sets of turnout gear as either replacements to existing responders or first sets for new responders. This allocation of \$17,000 allows the Department to acquire the equipment needed to perform this test in house.

Highway: \$144,000.

- Equipment request of \$9,000 to replace fuel pumps. The pumps are over 30 years old and serve all Town departments with vehicles. The pumps should be replaced prior to failure.
- Vehicles request of \$135,000 to replace Truck 8. There is an additional \$45,000 in the Highway Vehicle reserve account to use in addition to the amount requested. The balance is remaining from the FY15 appropriation.

Road and Sidewalk Improvements: \$679,000. Requested funding is a \$15,950 increase from FY 15 or 2.4%. The request is offset though by \$206,000 in State revenue as the planned projects include state aid roads.

- Road Improvement request of \$604,000 to rehabilitate North Street, Ward Road, Langsford Road, Summit Avenue, Goose Rocks Road, and Ocean Avenue. See attached detail sheet for more information.
- Sidewalk Improvement request of \$75,000 to rehabilitate Mills Road. See attached detail sheet for more information.

Recreation and Park: \$25,000

- Recreation and Park Improvements reserve fund request of \$25,000 for bus replacement and park improvements.

Piers: \$100,000.

- Piers reserve fund request of \$100,000 to reconstruct Government Wharf. State grant funds will be used to supplement Town funds. Design, engineering and environmental permitting has already been completed for major rehabilitation of Government Wharf at a cost in excess of \$500,000. The Town has applied for State funding through MDOT and secured \$250,000 in January of 2016. Any remaining funds will be used towards maintenance costs at Cape Porpoise Pier and dredging in Cape Porpoise.