



MEMORANDUM

Date: May 3, 2023
To: Citizens of Fort Fairfield
From: Dan Foster
Subject: FY 23/24 Budget Public Hearing

Good evening my friends, it has been quite a year. I think back to this time last year and we were looking at \$1,275,000.00 of short-term debt that we could not pay and a budget that was passed by the Town Council with a deficit of \$1,260,000.00. This resulted in an unprecedented mil rate increase of 7 mils, an increase over the prior year by 36%. It was a time of unbridled emotions, understandably people were very upset and in bewilderment as to how this could have happened.

I was concerned about the level of tension and anxiety that town employees were feeling and the ability of our town government to be able to appropriately function was a major concern...it was in this environment that I agreed to become the town's interim town manager. I agreed to accept this responsibility because like you I really do care about Fort Fairfield and I honestly felt that I could make a difference.

I had three main objectives in mind; first, we had to fix the fiscal mess we found ourselves in, it required complete transparency as to what the issues were and executing the painful process of rectifying them. We lost three department heads in the process...not an enjoyable part of the job. Second, we needed to understand how this was allowed to happen, the systems we had in place clearly were not working. We have retained the services of Catherine Ingraham to facilitate a process to better understand how this happened and to formulate recommendations to the Council that hopefully will preclude this ever happening again. Third, it was important that we maintain a functioning town government, we needed to come through this with a unified employee team committed to providing services while dealing with the painful reality of fiscal restraints. All of this to lay the groundwork for our next town manager, someone who wants to be part of our wonderful community. As I had stated in an earlier memo "Our ability to attract a quality leader will not be determined by compensation but rather by their perception of the ability to generate successful outcomes. This requires a strong management team, a committed community, and a fiscally sound business plan."

My first day was September 19th, we were already a quarter of the way through this fiscal year and my goal was in the nine months remaining to reduce the expenditures in this year's budget by \$400,000. This would allow us to pay off the loan to AWS and the accrued interest that was not included in this year's expenditures. My thought was that we could pay the \$1,000,000.00 line of credit next year with the savings created by reducing next year's operating expenses but

leaving the mil rate at the current level. We currently are on track to save over \$800,000.00 this year, which will allow us to pay down on the line of credit this year leaving a reduced amount due for next year creating the opportunity to reduce our mil rate by up to possibly two mils. The current budget that we are presenting you has a mil rate reduction of $\frac{3}{4}$'s of a mil but we have close to \$270,000.00 in additional savings that could be used to further reduce the mil rate. This will be determined by the Council once this fiscal year is completed and we see where the final numbers end up and how much they want to use to increase our cash position which has been non-existent. This far exceeded my expectations and I am grateful to the town department heads who have worked so hard to generate these savings.

Is this budget perfect? Of course not, but it clears up this troublesome debt, it allows our departments to have the resources needed to properly provide community services and it puts us in a good place to attract a quality person to be our next town manager.

I am grateful to have had the opportunity to serve my community in this fashion, I appreciate the support that I have received from so many of you, the words of encouragement and particularly the support of the employees who so graciously put up with my incessant demands. I am truly going to miss these relationships once my tenure is completed.

All the very best...

A handwritten signature in black ink, appearing to be 'Dan', written in a cursive style with a horizontal line underneath.

Fort Fairfield Annual Budget
Income - FY 23/24

	Actual	Actual	Budget	Est. Actual	Budget
	FY 20/21	FY 21/22	FY 22/23	FY 22/23	FY 23/24
Administration					
Interest on Taxes & Liens	\$ 23,902	\$ 19,288	\$ 21,265	\$ 15,000	\$ 20,000
Interest Income	\$ 306	\$ 334	\$ 300	\$ 150	\$ 300
Snowmobile Registration	\$ 1,278	\$ 1,403	\$ 1,475	\$ 1,390	\$ 1,400
Re-Registration Fees	\$ 18,027	\$ 16,239	\$ 14,650	\$ 16,000	\$ 14,500
Excise Tax	\$ 698,089	\$ 650,153	\$ 656,000	\$ 645,000	\$ 665,000
Boat Excise Tax	\$ 1,773	\$ 1,749	\$ 1,850	\$ 1,800	\$ 1,800
Cable Franchise Fees	\$ 31,622	\$ 29,965	\$ 29,965	\$ 29,192	\$ 30,000
Code Enforcement Fees	\$ 6,233	\$ 11,017	\$ 5,000	\$ 6,500	\$ 5,000
Misc. Income	\$ 1,248	\$ 1,045	\$ 1,400	\$ 1,200	\$ 1,000
Total	\$ 782,478	\$ 731,193	\$ 731,905	\$ 716,232	\$ 739,000
Town Clerk Revenue					
Certified Copies	\$ 3,436	\$ 4,476	\$ 3,600	\$ 4,500	\$ 4,200
Hunting & Fishing Licenses	\$ 621	\$ 602	\$ 800	\$ 700	\$ 700
Dog Licenses	\$ 429	\$ 374	\$ 460	\$ 460	\$ 450
Burial Permits	\$ 1,358	\$ 1,400	\$ 1,045	\$ 1,200	\$ 1,050
Marriage Licenses	\$ 504	\$ 324	\$ 635	\$ 700	\$ 650
Total	\$ 6,348	\$ 7,176	\$ 6,540	\$ 7,560	\$ 7,050
Library					
Misc. Income	\$ -	\$ -	\$ 50	\$ 56	\$ 50
Public Works					
Local Roads Assistance	\$ 93,148	\$ 99,896	\$ 99,895	\$ 99,348	\$ 99,500
Fire & EMS Department					
Ambulance Revenue	\$ 6,782	\$ 223,219	\$ 408,642	\$ 425,000	\$ 360,000
Police Department					
Misc. Income	\$ 440	\$ 467	\$ 600	\$ 400	\$ 500
Pilots					
FHA Field 2	\$ 7,350	\$ 7,497	\$ 7,350	\$ 7,647	\$ 7,700
Fields 1,3, Hillcrest, Borderview	\$ 17,824	\$ 22,844	\$ 17,825	\$ 22,531	\$ 22,500
Morningview LLC	\$ 17,805	\$ 16,937	\$ 16,950	\$ 23,017	\$ 23,000
AWS	\$ 10,000	\$ 10,000	\$ 29,250	\$ 10,000	\$ 10,000
Total	\$ 52,979	\$ 57,278	\$ 71,375	\$ 63,195	\$ 63,200

	Actual	Actual	Budget	Est. Actual	Budget
	FY 20/21	FY 21/22	FY 22/23	FY 22/23	FY 23/24
Recreation					
Program Income	\$ 3,061	\$ 3,866	\$ 4,000	\$ 3,600	\$ 4,000
Misc. Income	\$ 462	\$ 3,469	\$ 2,275	\$ 3,000	\$ 2,500
Total	\$ 3,523	\$ 7,335	\$ 6,275	\$ 6,600	\$ 6,500
MPBF					
Event Income	\$ 14,904	\$ 26,117	\$ 62,550	\$ 30,000	\$ 30,000
Revenue Sharing	\$ 513,844	\$ 875,781	\$ 905,807	\$ 905,000	\$ 1,030,328
Other Fund Transfers					
TLC Dividend	\$ 117,567	\$ -	\$ -	\$ -	\$ -
FF Solar LLC Lease			\$ 21,930		\$ 21,930
Non-Property Tax Revenues	\$ 1,592,013	\$ 2,028,462	\$ 2,315,569	\$ 2,253,391	\$ 2,358,058
Property Tax					
Property Tax Revenue	\$ 3,762,721	\$ 3,570,326	\$ 4,948,075	\$ 4,948,078	\$ 4,808,035
Tax Acquired Sales	\$ 3,975	\$ 7,133	\$ -	\$ -	
Tree Growth	\$ 577	\$ 3,002	\$ -	\$ 3,176	\$ 3,000
VA Exemption Reimbursement	\$ 5,493	\$ 5,059	\$ -	\$ 1,561	\$ 1,500
Homestead Exemption	\$ 353,888	\$ 282,838	\$ 444,267	\$ 500,000	\$ 452,000
BETE Reimbursement	\$ 47,877	\$ 37,984	\$ 49,744	\$ 49,745	\$ 48,340
Misc. Income	\$ 614	\$ 1,678	\$ -	\$ 1,617	\$ 1,500
Total Tax Revenue	\$ 4,175,145	\$ 3,908,020	\$ 5,442,086	\$ 5,504,177	\$ 5,314,375
Total Revenues	\$ 5,767,158	\$ 5,936,482	\$ 7,757,655	\$ 7,757,568	\$ 7,672,433

Fort Fairfield Annual Budget Expenses - FY 23/24					
	Actual	Actual	Budget	Estimated	Budget
	FY 20/21	FY 21/22	FY 22/23	FY 22/23	FY 23/24
Administration					
Town Office	\$ 485,338	\$ 529,807	\$ 624,080	\$ 609,745	\$ 605,423
Town Clerk	\$ (1,361)	\$ 1,064	\$ 5,000	\$ 3,550	\$ 5,000
Economic & Community Dev.				\$ 1,300	\$ 2,100
Code Enforcement	\$ 623	\$ 1,030	\$ 800	\$ 500	\$ 500
Assessing	\$ 1,700	\$ 11,467	\$ 12,300	\$ 7,900	\$ 12,300
Tax Collector	\$ 7,664	\$ 626	\$ 4,000	\$ 3,000	\$ 4,000
Building Maintenance	\$ 5,408	\$ 6,813	\$ 10,020	\$ 7,800	\$ 9,300
Total Administration	\$ 499,372	\$ 550,807	\$ 656,200	\$ 633,795	\$ 638,623
Library					
Employees	\$ 75,164	\$ 78,473	\$ 100,445	\$ 45,475	\$ 38,961
Operations	\$ 12,017	\$ 24,564	\$ 34,824	\$ 15,980	\$ 16,850
Total Library	\$ 87,181	\$ 103,037	\$ 135,269	\$ 61,455	\$ 55,811
Police Department					
Employees	\$ 362,725	\$ 349,912	\$ 483,706	\$ 482,817	\$ 502,180
Operations	\$ 52,728	\$ 51,572	\$ 73,305	\$ 40,640	\$ 70,700
Total Police Department	\$ 415,453	\$ 401,484	\$ 557,011	\$ 523,457	\$ 572,880
Fire Department					
Employees					\$ 98,586
Operations					\$ 57,750
Total Fire Department					\$ 156,336
Ambulance Service					
Employees	\$ 609,679	\$ 867,908	\$ 1,106,017	\$ 784,400	\$ 611,988
Operations	\$ 372,576	\$ 241,901	\$ 310,412	\$ 153,922	\$ 110,000
Total Ambulance Service					\$ 721,988
Total Fire and Ambulance	\$ 982,255	\$ 1,109,809	\$ 1,416,429	\$ 938,322	\$ 878,324
Public Works					
Employees	\$ 651,604	\$ 682,504	\$ 807,171	\$ 678,600	\$ 776,573
Summer	\$ 130,214	\$ 142,126	\$ 64,000	\$ 56,000	\$ 134,000
Winter	\$ 74,562	\$ 80,518	\$ 81,700	\$ 76,500	\$ 86,700
Garage	\$ 174,506	\$ 198,119	\$ 246,480	\$ 240,000	\$ 247,150
Total Public Works	\$ 1,030,886	\$ 1,103,267	\$ 1,199,351	\$ 1,051,100	\$ 1,244,423

	Actual	Actual	Budget	Estimated	Budget
	FY 20/21	FY 21/22	FY 22/23	FY 22/23	FY 23/24
Parks & Recreation					
Employees	\$ 76,398	\$ 159,362	\$ 238,827	\$ 181,603	\$ 128,173
Administration	\$ 4,737	\$ 5,197	\$ 9,150	\$ 8,180	\$ 6,250
Swimming Pool	\$ 13,496	\$ 19,704	\$ 23,700	\$ 24,291	\$ 17,200
Program Expenses	\$ 10,887	\$ 6,462	\$ 14,000	\$ 11,000	\$ 6,500
Upkeep/Maintenance	\$ 11,510	\$ 10,893	\$ 10,481	\$ 13,407	\$ 10,900
Total Parks & Recreation	\$ 117,028	\$ 201,618	\$ 296,158	\$ 238,481	\$ 169,023
MPBF					
Stipend/Dir. Salary					
Operations					
Total MPBF	\$ -	\$ -	\$ 53,975	\$ 30,000	\$ 30,000
Community Center					
Heating Oil/Coal	\$ 23,565	\$ 30,571	\$ 48,900	\$ 45,000	\$ 45,000
Utilities	\$ 15,760	\$ 13,695	\$ 16,187	\$ 24,000	\$ 22,500
Building Repair	\$ 3,679	\$ 4,340	\$ 6,500	\$ 6,500	\$ 3,000
Total Community Ctr	\$ 43,004	\$ 48,606	\$ 71,587	\$ 75,500	\$ 70,500
Safety/Sanitation					
Public Fire Protection	\$ 92,485	\$ 132,776	\$ 134,459	\$ 134,459	\$ 134,459
AWS	\$ 91,000	\$ 94,304	\$ 103,560	\$ 114,400	\$ 108,600
Street Lights	\$ 20,321	\$ 30,216	\$ 32,000	\$ 32,000	\$ 32,000
Street Light Repair	\$ 1,913	\$ 1,995	\$ 3,140	\$ -	\$ 1,500
Total Safety/Sanitation	\$ 205,719	\$ 259,291	\$ 273,159	\$ 280,859	\$ 276,559
Insurances					
Misc.	\$ 1,443	\$ 1,443	\$ 4,087	\$ -	\$ 3,500
Bonding	\$ 375	\$ 375	\$ 375	\$ 375	\$ 375
Auto & Physical	\$ 30,750	\$ 30,750	\$ 31,904	\$ 31,904	\$ 35,000
Gen Liability	\$ 15,040	\$ 15,040	\$ 17,529	\$ 17,529	\$ 18,500
Police Insurance	\$ 3,541	\$ 3,541	\$ 7,595	\$ 7,595	\$ 8,500
Public Officials Ins.	\$ 2,294	\$ 2,294	\$ 3,022	\$ 3,022	\$ 3,200
Commercial Marine	\$ 19,236	\$ 21,000	\$ 27,918	\$ 27,918	\$ 29,500
Unemployment	\$ 2,995	\$ 5,597	\$ 5,740	\$ 5,395	\$ 10,000
Worker's Comp	\$ 35,966	\$ 64,000	\$ 81,099	\$ 88,065	\$ 75,000
Data/Empl Practices	\$ 4,541	\$ 4,541	\$ 5,299	\$ 5,299	\$ 5,500
Total Insurances	\$ 116,181	\$ 148,581	\$ 184,568	\$ 187,102	\$ 189,075

	Actual	Actual	Budget	Estimated	Budget
	FY 20/21	FY 21/22	FY 22/23	FY 22/23	FY 23/24
Unclassified					
Contingency	\$ 2,500	\$ -	\$ 3,000	\$ -	\$ 3,000
MMA	\$ 3,566	\$ 3,590	\$ 3,600	\$ 3,804	\$ 3,804
Aroostook County	\$ 258,524	\$ 267,563	\$ 277,209	\$ 277,209	\$ 295,310
NMDC	\$ 6,014	\$ 6,068	\$ 6,098	\$ 6,098	\$ 5,906
SAD #20	\$ 2,351,903	\$ 2,142,385	\$ 2,203,432	\$ 2,203,432	\$ 2,272,646
St Group Insurance	\$ 1,189	\$ 1,121	\$ 1,200	\$ 1,100	\$ 1,200
TAN Interest			\$ 10,500	\$ 37,598	\$ 47,302
TIF Meadows	\$ -	\$ 21,762	\$ 29,574	\$ 29,574	\$ 29,574
Central Aroostook Chamber					\$ 1,800
Central Aroostook Humane Society					\$ 6,312
Dike Repairs/Operations				\$ 5,800	\$ 5,000
Total Unclassified	\$ 2,623,696	\$ 2,442,489	\$ 2,534,613	\$ 2,564,615	\$ 2,671,854
Total Expenses before Debt			\$ 7,378,320	\$ 6,584,686	\$ 6,797,072
Debt Payments					
TAN				\$ 500,000	\$ 500,000
AWS				\$ 275,000	
Community Center		\$ 58,731	\$ 60,000	\$ 56,500	\$ 57,000
Balance - \$200,000					
Working Capital - EMS		\$ 100,166	\$ 100,166	\$ 100,166	\$ 100,166
Balance - \$923,000					
Ambulance		\$ 57,156	\$ 57,156	\$ 65,654	0
Ladder Truck		\$ 91,176	\$ 91,176	\$ 61,058	0
Highway Bond Pmt		\$ 56,970	\$ 56,747	\$ 50,670	0
Total Debt Payments		\$ 364,199	\$ 365,245	\$ 1,109,048	\$ 657,166
Total Expenses	\$ 6,120,775	\$ 6,733,188	\$ 7,743,565	\$ 7,693,734	\$ 7,454,238
Total Income			\$ 7,757,655	\$ 7,757,568	\$ 7,672,433
Surplus / (Deficit)			\$ 14,090	\$ 63,834	\$ 218,195
Savings				\$ 793,634	\$ 581,248