



To: Caroline Pelletier, Interim Town Manager

From: Jessica Maloy, Finance Director

Re: Use of ARPA Funds and Other Changes for FY2024 Budget

Date: June 6, 2023

As you know, the Town Council asked me to review the FY2024 Budget for one-time expenses that could be offset by ARPA Funding as well as any changes to the Operating Budget that could be absorbed either by additional ARPA Funding or by removal from the General Fund Budget entirely. I would like to recommend the use of ARPA Funding for the following items as well as some current changes to the FY2024 Budget:

List of Proposed Changes to the FY 2024 Operating Budget			
Item	Dept	Net Change	Reason
Grant Matches	0100-5710	\$ (40,000)	Remove One-Time Expense - Fund \$40,000 with ARPA
Public Works Paving	0401-7200	\$ (25,000)	Reduce Budget back to \$250,000
Marine Conservation Corp Labor	0606-3400	\$ (18,000)	Remove One-Time Expense - Fund \$18,000 with ARPA
		\$ (83,000)	Net Budget Impact

List of Proposed ARPA Funding		
Item	Funding	Reason
Grant Matches	\$ 40,000	Remove One-Time Expense - Fund \$40,000 with ARPA
Downtown Visioning Engineer Contractor	\$ 30,000	Add'l funding of a One-Time Expense - Fund \$30,000 with ARPA
Tri-Town Little League	\$ 26,750	Add'l funding of a One-Time Expense - Fund \$18,000 with ARPA
Marine Conservation Corp Labor	\$ 18,000	Remove One-Time Expense - Fund \$18,000 with ARPA
	\$ 114,750	Net Total

As a result of this recommendation, impacts to the previously proposed FY 2024 Operating Budget include the removal of the Downtown Visioning Project Funding of \$40,000 and the removal of the contracted services of the Marine Conservation Corp of \$18,000 to be funded by ARPA and a reduction to the Public Works Paving budget of \$25,000 which is a direct removal from the general fund operating budget.

These are a total reduction to the FY 2024 operating budget of \$83,000. The approximate tax rate impact of these ARPA Eligible expenses and Miscellaneous Changes is a reduction from a 17.05% levy increase to a 15.59% levy increase; or \$0.447 municipal tax rate increase to \$0.409 municipal tax rate increase, bringing the total tax levy increase to 6.40% from 6.70%. On a \$300,000 home, this equates to a \$12.00 decrease from the previously proposed levy increase.

Town of Freeport Proposed Tax Changes FY 2024						
Entity	FY 2023 Tax Amount	FY 2024 Projected Tax Amount	Projected Mil Rate Impact	\$ Levy Increase	% Levy Increase	
Cumberland County	\$ 1,288,252	\$ 1,436,042	\$ 0.0681	\$ 147,790	11.47%	
RSU #5	\$ 20,513,345	\$ 21,239,560	\$ 0.3345	\$ 726,215	3.54%	
Transit	\$ 86,170	\$ 89,100	\$ 0.0013	\$ 2,930	3.40%	
Town of Freeport	\$ 5,691,925	\$ 6,579,285	\$ 0.4088	\$ 887,360	15.59%	
Total Tax	\$ 27,579,692	\$ 29,343,987	\$ 0.8127	\$ 1,764,295	6.40%	
Mil Rate Impact	0.000812709	\$0.81 per \$1,000 of value				

In addition to the Operating Budget impacts, I am also providing an update on the ARPA spending status. Currently \$252,694.84 of ARPA dollars are remaining to be appropriated. The above changes add \$114,750 to the ARPA Appropriation, leaving \$137,945.84 to be appropriated. As of May 15th, 2023 the Town of Freeport has spent \$427,171.92 ARPA dollars of the \$652,373.30 that was appropriated. The snapshot below shows this breakdown, before the FY2024 suggested inclusions.

	Budget	Actual	Difference
Total Award:	905,068.14	905,068.14	905,068.14
Total Appropriations:			
Premium Pay	152,873.30	(152,873.30)	-
Paving Projects	100,000.00	(85,048.30)	14,951.70
Ordinance Work	40,000.00	-	40,000.00
Grant Matches	60,000.00	-	60,000.00
Radio Upgrade	40,000.00	(34,458.03)	5,541.97
GPCOG Climate Action Plan	12,000.00	(11,902.28)	97.72
Freeport CAN_Electrify	40,000.00	(2,329.01)	37,670.99
Quality Housing Coalition	20,000.00	(20,000.00)	-
FCS GAP Needs for Housing	40,000.00	(8,061.00)	31,939.00
FCS Support	112,500.00	(112,500.00)	-
Total	617,373.30	(427,171.92)	190,201.38
Add'l Funding Freeport CAN_Electrify	35,000.00		
	652,373.30		

Total Remaining Award to be Appropriated: 252,694.84
Total Remaining Award to be Expended: 477,896.22

List of Proposed ARPA Funding		
Item	Funding	Reason
Grant Matches	\$ 40,000	Remove One-Time Expense - Fund \$40,000 with ARPA
Downtown Visioning Engineer Contractor	\$ 30,000	Add'l funding of a One-Time Expense - Fund \$30,000 with ARPA
Tri-Town Little League	\$ 26,750	Add'l funding of a One-Time Expense - Fund \$18,000 with ARPA
Marine Conservation Corp Labor	\$ 18,000	Remove One-Time Expense - Fund \$18,000 with ARPA
	\$ 114,750	Net Total

\$ 252,695 ARPA Funds Remaining to be Appropriated
\$ (114,750) Proposed ARPA Funding
\$ 137,945 Remaining ARPA Funds

Please let me know if you have any questions or concerns.