



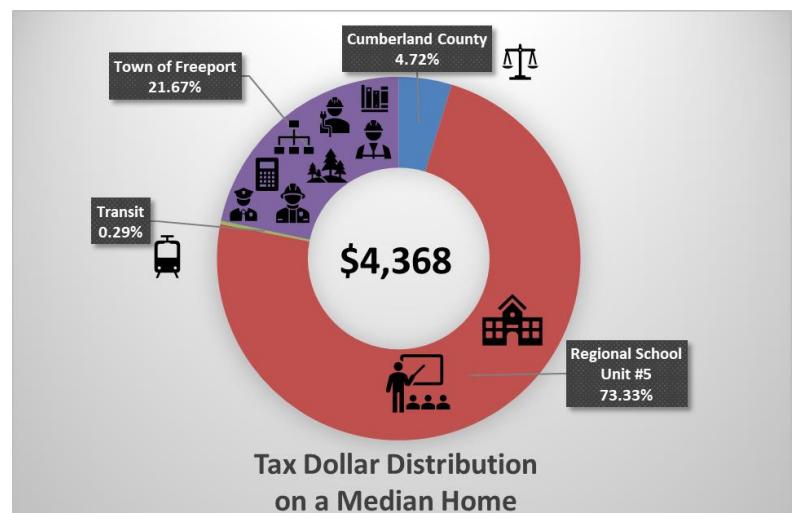
To: Honorable Town Councilors
From: Peter Joseph, Town Manager
Re: Jessica Maloy, Finance Director
Date: FY 2022 Operating Budgets Transmittal Letter
 April 29, 2021

We are pleased to present the FY 2021-2022 budgets for the Town of Freeport's general operating fund, Winslow Park fund, non-emergency transport fund, and the capital and Destination Freeport tax increment financing funds. In FY 2022, we continue to be faced with declining revenue adjustments due to COVID-19 that have a significant impact to the general fund operating budget.

And while we do not have a final valuation report from the Town's assessor, nor final tax requirement figures from RSU #5 nor is the Town's budget final, we do have preliminary tax figures from all three taxing bodies:

Town of Freeport Proposed Tax Changes FY 2022							
Entity	FY 2021 Tax Amount	FY 2022 Projected Tax Amount	Projected Mil Rate Impact	\$ Levy Increase	% Levy Increase		
Cumberland County	\$ 1,243,618	\$ 1,286,019	\$ 0.0211	\$ 42,401	3.41%		
RSU#5	\$ 19,125,015	\$ 19,919,982	\$ 0.3963	\$ 794,967	4.16%		
Transit	\$ 77,934	\$ 82,939	\$ 0.0025	\$ 5,005	6.42%		
Town of Freeport	\$ 5,307,981	\$ 5,582,125	\$ 0.1367	\$ 274,144	5.16%		
Total Tax	\$ 25,754,548	\$ 26,871,065	\$ 0.5566	\$ 1,116,517	4.34%		
Mil Rate Impact	0.000556561	\$0.56 per \$1,000 of value					

The current millage rate, or property tax rate per \$1,000 of assessed valuation, is \$14.00; the Town is proposing an increase of thirteen cents per thousand dollars of valuation from FY 2021. The RSU #5 Board of Directors is proposing a forty cent-per-thousand dollar of valuation increase, the Cumberland County tax levy (which has been finalized) increase will include a two cent-per-thousand dollar of valuation increase, and the Transit Tax for the METRO system (which has been finalized) is flat from FY 2021. While that is a total of fifty-six cents-per-thousand dollars of valuation, the Town's portion is an increase of thirteen cents from FY 2021.



It is important to include an historic picture of the Town's tax rate so the reader can see the historic trends in the rate. Please note that during FY 2016 and FY 2018, the Town's assessor recognized that values had inclined due to the real estate market and increased all values for real property. The Town, RSU, and County all had the same service-level needs, and when the valuations inclined, the mil rate decreased to compensate for the higher values. This is the reason the mil rate decreased from \$16.80 to \$14.95 between FY 2016 and FY 2018. The mil rate increased from \$14.95 to \$15.05 between FY 2018 and FY 2019 due to greater service-level needs as well as apparent revenue reductions. This being further offset in FY 2021, bringing the mil rate down to \$14.00, due to increased property valuations and use of one-time revenues.

Ten-Year Mil Rate History		Impact on \$300,000 Home	
Fiscal Year	Mil Rate		
FY 2012	\$ 15.20	\$ 4,560	
FY 2013	\$ 15.45	\$ 4,635	
FY 2014	\$ 15.85	\$ 4,755	
FY 2015	\$ 15.80	\$ 4,740	
FY 2016	\$ 16.80	\$ 5,040	
FY 2017	\$ 15.80	\$ 4,740	
FY 2018	\$ 14.95	\$ 4,485	
FY 2019	\$ 15.05	\$ 4,515	
FY 2020	\$ 14.30	\$ 4,290	
FY 2021	\$ 14.00	\$ 4,200	
FY 2022 Projected	\$ 14.56	\$ 4,368	



and Council priorities.

While the main focus is on the general fund for budgeting purposes, as it has the only impact on the Town's tax mil rate, the Town budgets for the general fund, NET enterprise fund, Winslow Park and Destination Freeport Tax Increment Financing District special revenue funds in addition to the capital projects fund. Their summaries are included in this transmittal letter with major factors in the budget process including legislative changes, large expenditures, fund balance projections,

This has, once again, been a particularly challenging process, specifically for the general fund; the Council's budgetary guidelines for 2021 were as follows:

- Prioritize, evaluate and control expenditures with responsible budgeting to minimize the impact on taxpayers and strive to maintain a stable tax rate, while continuing to provide the highest quality of services possible within the resources available.

And while the past few budget years have been difficult, this year was no exception, the FY 2022 budget does reflect a \$503,244 increase in operating expenses. This is offset; however, by a \$209,700 increase in Non-Property Tax Revenue, leaving the Town with a \$274,144 property tax increase, or five point one-six percent.

One large challenge for the Town has historically been the loss of State revenue sharing. Revenue sharing is comprised of sales and income taxes received from all over the State, and at its height in FY 2008, the Town received almost \$700,000 in revenue sharing. While the Governor's biennial budget allows for an increase in the percentage to be shared, it still is not projected to be funded to its full five percent. Currently, before the State Legislature is a bill asking to restore and fully fund revenue sharing to five percent, though it is not anticipated to pass. We will; however, keep you informed on the progress of this bill as it moves through the Legislature. The FY 2021 projection is slightly increased at \$525,000.

In an effort to reduce the dependence on the use of fund balance, in FY 2017 the requested transfer in from fund balance was down to \$550,000 from \$675,000 in FY 2016. It was the intent of management to continue to decrease this over the next few years; however, given the current level of Fund Balance along with the current economic climate, management is recommending using \$600,000 for FY 2022 to help mitigate the tax impact.

The new items and changes in the FY 2022 budget are shown below. Employee wage and step increases, along with three additional positions, are the primary reason for the expense increase coming in at \$521,475. This

increase is due in large part to cost of living freeze in FY 2021 and the volume of long-term employee turnover the Town experienced from FY 2018 and again in FY 2020. Maine Employee Health Trust rates increased only 0.3% from CY 2020 and staff is budgeting for an 5% increase for CY 2022. Maine State Retirement System rates have increased for the employer from 10.8% to 11.3% and the employee component will increase from 8.1% to 8.4%. For FY 2022, staff is also budgeting for the impact of a cell tower rental fee of \$24,000 and the outsourcing of Ambulance Billing of \$24,000. These are offset by a decrease in the debt service of the Town by \$63,770. There is an increase in revenue from the rental income associated with the Bartol Building of \$25,000, for tenant usage beginning July 1, 2021. These expenditure impacts and revenue decreases are offset by a \$155,000 increase in State Revenue Sharing based on the projected 3.75% share; a \$100,000 increase to excise tax based on historical levels, and other smaller revenue impacts in the general fund for FY 2022. The Town has historically taken a conservative approach to budgeting for State Revenues and that is still the current practice in FY 2022.

The non-emergency transport fund has historically had a declining fund balance, and during FY 2016, Fire and Rescue Department staff saw the loss of a major supplier of runs. This had a major impact on the NET Fund and its ability to perform at its then current capacity. Staff reviewed the impact and recognized that the fund's net position would continue in the negative, but staff continues to propose changes to service levels in FY 2022 to help offset and mitigate any future decline in fund balance.

Please see the next pages for more details on each of the funds to be appropriated.

The General Fund

While the FY 2022 tax is budgeted to increase \$274,144 or 5.16 percent, the municipal budget has increased by \$503,244 or 4.17% from FY 2021 to FY 2022. Please see the historic Town of Freeport general fund budgets for the past five fiscal years.

Historic Town of Freeport Municipal Budget Comparison			
Town of Freeport	Budget	\$ Increase	% Increase
FY 2012	\$ 8,465,864		
FY 2013	\$ 8,758,553	\$ 292,689	3.34%
FY 2014	\$ 8,978,235	\$ 219,682	2.45%
FY 2015	\$ 8,965,659	\$ (12,576)	-0.14%
FY 2016	\$ 9,352,257	\$ 386,598	4.13%
FY 2017	\$ 9,447,391	\$ 95,134	1.01%
FY 2018	\$ 9,730,935	\$ 283,544	2.91%
FY 2019	\$ 10,105,160	\$ 374,225	3.70%
FY 2020	\$ 10,410,637	\$ 305,477	2.93%
FY 2021	\$ 10,481,981	\$ 71,344	0.68%
FY 2022 Proposed	\$ 10,985,225	\$ 503,244	4.58%

Excluding the County Tax, Transit Tax, and RSU #5 Tax

As mentioned above, the FY 2022 general fund budget directive to department heads was to prioritize, evaluate and control expenditures with responsible budgeting to minimize the impact on taxpayers and to strive to maintain a stable tax rate. The impact of the largest budget changes are listed below. Please note that this is not a comprehensive list of all budget changes, but merely a listing of the larger or new items.

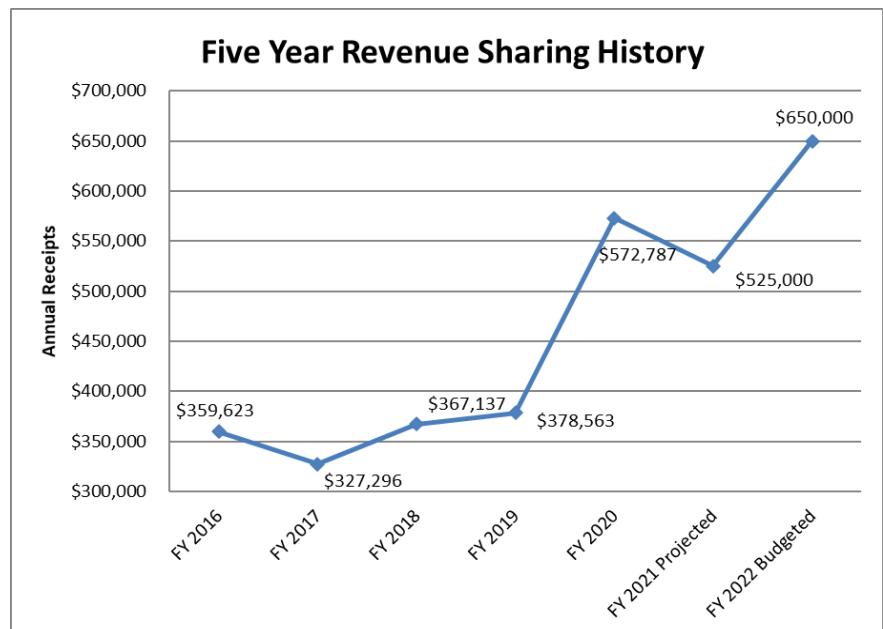
Major Budget Changes-FY 2022 General Fund					
Department	Budget Change	Reason	Budget Impact	Mil	Rate Impact
Revenue	Impact Fee Transfer	One Time Revenue Use in 2021	\$ 75,000	\$ 75,000	0.037386
Revenue	Interest on Investments	Decrease in Rate Environment on Investments	\$ 30,000	\$ 30,000	0.014954
Revenue	Revenue Sharing	Increased projection based on State Legislation	\$ (155,000)	\$ (155,000)	(0.077264)
Revenue	Excise Tax	Increased to reflect current levels	\$ (100,000)	\$ (100,000)	(0.049848)
Revenue	Homestead	Increased to reflect current levels	\$ (50,000)	\$ (50,000)	(0.024924)
Revenue	Solid Waste-Residential	Increased to reflect current levels	\$ (30,000)	\$ (30,000)	(0.014954)
Revenue	Bartol Library Lease Revenue	Anticipated Rental Revenue_General Fund	\$ (25,000)	\$ (25,000)	(0.012462)
All	Benefits & Wage Step Increases	Four Percent impact with multiple step increases	\$ 386,475	\$ 386,475	0.192650
Fire/Rescue	Wages	New Hire	\$ 65,000	\$ 65,000	0.032401
General Administration	Wages	Restructuring	\$ 40,000	\$ 40,000	0.019939
Recycling	Wages	New Hire	\$ 30,000	\$ 30,000	0.014954
Recycling	Tipping & Hauling	Increased fees based on volume	\$ 24,025	\$ 24,025	0.011976
Misc.	Cell Tower Rental	Rental Fees for Cell Tower Placement	\$ 24,000	\$ 24,000	0.011964
Fire/Rescue	Contracted Services	Ambulance Billing Function_Outsourced	\$ 24,000	\$ 24,000	0.011964
Debt Service	Principle	Decrease for current debt levels	\$ (63,770)	\$ (63,770)	(0.031788)
Total Major Budget Impacts			\$ 274,730	\$ 274,730	0.136947

Historically, the Council's annual goals drive the manager's budget message. In the case of the past few years, one of the goals has been to maintain a stable tax rate. The manager has presented a primarily maintenance budget for FY 2022 while incorporating the impact from the pandemic during FY 2021.

State-Level, Market, and Other Significant Impacts on the FY 2022 Budget

State Revenue Sharing

A large portion of the Town's general fund budget is revenue from the State of Maine, including State revenue sharing. Maine State Statute dictates that Towns are to receive five percent of the sales and income taxes received each year. These taxes are to be collected by the State and distributed based upon a valuation and population formula. Historically, the Town had received approximately \$700,000 annually, but in the past eight years, sales and income taxes have declined due to the economic downturn, and the State legislature reducing the revenue sharing distribution; Freeport's share declined to \$360,000. After a few years of decline, revenue sharing appeared to have bottomed out at \$325,000 and is slowing increasing. In FY 2022 the budget shows an increase to \$650,000 from the FY 2021 budget of \$495,000. It is notable the Governors biennial budget includes an increase to the revenue sharing distribution that is reflective in the proposed budget. A five-year history of State Revenue Sharing is included here for comparison purposes.



Market Factors-Interest Income

The Town has been projecting significant declines in interest income. During FY 2009, the Town received \$393,000 in interest income; the FY 2013 receipt was \$13,500 which appears to have been the low to date. Since then, we had seen a steady increase with the FY 2019 actuals topping \$232,507 followed by \$153,625

in FY 2020. Management is however, maintaining its conservative approach and leveling the FY 2022 budget at \$15,000 given the most recent economic downturn due to COVID-19. The Town's investment policy states that it invests its money (other than reserve and trust funds) in assets that preserve principal, cash-flow, and finally, give return. The Town's operating funds are invested in certificates of deposits and a nightly "sweep" account; the CDs are FDIC-insured and the "sweep" account is collateralized, and the majority of these investments are returning less than three percent of interest-per-year. A chart of the past five years' historic interest income receipts is listed here to illustrate the historic decline with gradual increase and the impact on the general fund.

Interest Income Five Year History



Summary-the Difference between the Tax Rate and the Budgeted Amount

During budget season each year, staff attempts to differentiate between increases or decreases in budgeted amounts and tax amounts. The table below shows the budget amounts and then tax amounts from each of the four taxing bodies in Freeport (Cumberland County, RSU #5, METRO Transit, and the Town of Freeport) so the readers can understand this difference. Property tax revenue accounts for approximately half of the Town's general fund revenue, and as expenditures and revenues fluctuate, the property tax requirement to deliver services changes.

Town of Freeport Budget Recap FY 2021 vs FY 2022									
Taxing Body	Budget Amount				Tax Amount				
	FY 2021	FY 2022	\$ Increase	% Increase	FY 2021	FY 2022	\$ Increase	% Increase	
Cumberland County	\$ 1,243,618	\$ 1,286,019	\$ 42,401	3.41%	\$ 1,243,618	\$ 1,286,019	\$ 42,401	3.41%	
Regional School Unit #5	\$ 19,125,015	\$ 19,919,982	\$ 794,967	4.16%	\$ 19,125,015	\$ 19,919,982	\$ 794,967	4.16%	
Transit	\$ 77,934	\$ 82,939	\$ 5,005	na	\$ 77,934	\$ 82,939	\$ 5,005	n/a	
Town of Freeport	\$ 10,481,981	\$ 10,985,225	\$ 503,244	4.80%	\$ 5,307,981	\$ 5,582,125	\$ 274,144	5.16%	
	Total Increase	\$ 1,345,617	4.35%		Total Increase	\$ 1,116,517	4.34%		

THE CAPITAL PROJECTS FUND

In addition to the general fund's operating budget, the Town Council adopted the five-year capital program which is a planning document and is expected to make the FY 2022 capital appropriations on June 15th at the same time as all other budgets. The FY 2022 capital improvement program is seen in summary here with four years of historic data for comparative purposes. Specific projects and their impact on the operating budget (if applicable) are included in the capital budgeting section of this document.

Department	Capital Improvements Program Five-Year History					Proposed FY 2022
	FY 2018	FY2019	FY2020	FY2021		
Police	\$ 147,000	\$ 48,000	\$ 110,000	\$ 100,000	\$ 62,000	
Fire	\$ -	\$ 67,000	\$ -	\$ 908,000	\$ -	
Rescue	\$ -	\$ 20,000	\$ 285,000	\$ 63,000	\$ 60,000	
Public Works	\$ 115,000	\$ 240,000	\$ 150,000	\$ 80,000	\$ 140,000	
Solid Waste	\$ 50,000	\$ 15,000	\$ 17,000	\$ 155,000	\$ 67,500	
Comprehensive Town Improvements	\$ 1,064,500	\$ 425,000	\$ 236,000	\$ 755,000	\$ 630,000	
Municipal Facilities	\$ 345,500	\$ 330,500	\$ 83,550	\$ 138,900	\$ 88,500	
Cable	\$ 132,600	\$ 4,000	\$ 58,600	\$ 24,000	\$ 24,000	
Other	\$ -	\$ -	\$ 27,575	\$ 150,000	\$ 175,000	
Destination Freeport TIF District	\$ 398,000	\$ 348,600	\$ 239,000	\$ 235,000	\$ 375,000	
Winslow Park	\$ -	\$ -	\$ -	\$ 50,000	\$ -	
Total	\$ 2,252,600	\$ 1,498,100	\$ 1,206,725	\$ 2,658,900	\$ 1,622,000	

The five-year capital program is a listing of all intended projects and equipment purchases during the next five fiscal years. It is not an appropriation; the Town's Charter requires the capital and operating budgets to be adopted at the same time. Those appropriations will occur on June 15th, 2021.

One notable item is the method of funding capital projects; this can be confusing in light of discussions above about tax rate impacts. The Town has spent the past 30 years building reserve funds so its capital needs are largely satisfied by using reserves. The reserve funds are invested per the Town's investment policy in 25 percent equity funds and 75 percent fixed income instruments. Each year, the Council adopts the capital budget for the upcoming fiscal year, and that appropriation directs staff to transfer funds from the reserves into the capital projects fund for these upcoming projects. The Freeport Town Council has historically directed staff to produce "minimal tax increase" budgets, and this is one method of accomplishing that goal. The Town staff uses the balances as of the prior financial statements in order to "benchmark" whether or not there are sufficient funds to complete the upcoming projects, and informal unaudited fund balances to indicate the balances to the Council for budget deliberations. The December 31st, 2020 unaudited balances are shown to the right.

Town of Freeport Reserve Funds		
Draft Reserve Balances 12/31/2020		
For Funds Used in the Capital Planning Process		
Police	\$ 350,225	
Fire	\$ 1,284,592	
Rescue	\$ 763,837	
Public Works	\$ 1,104,033	
Solid Waste	\$ 167,297	
Comprehensive Town Imp.	\$ 2,259,714	
Municipal Facilities (1)	\$ 640,353	
Cable	\$ 332,607	
Other (2)	\$ 68,309	
Note 1: The Municipal Facilities capital improvement plan is taken from both the general administration and building maintenance reserves; these are summed above.		
Note 2: The "Other" projects are Board and Committee requests and will be taken from the appropriate reserves based upon the project.		

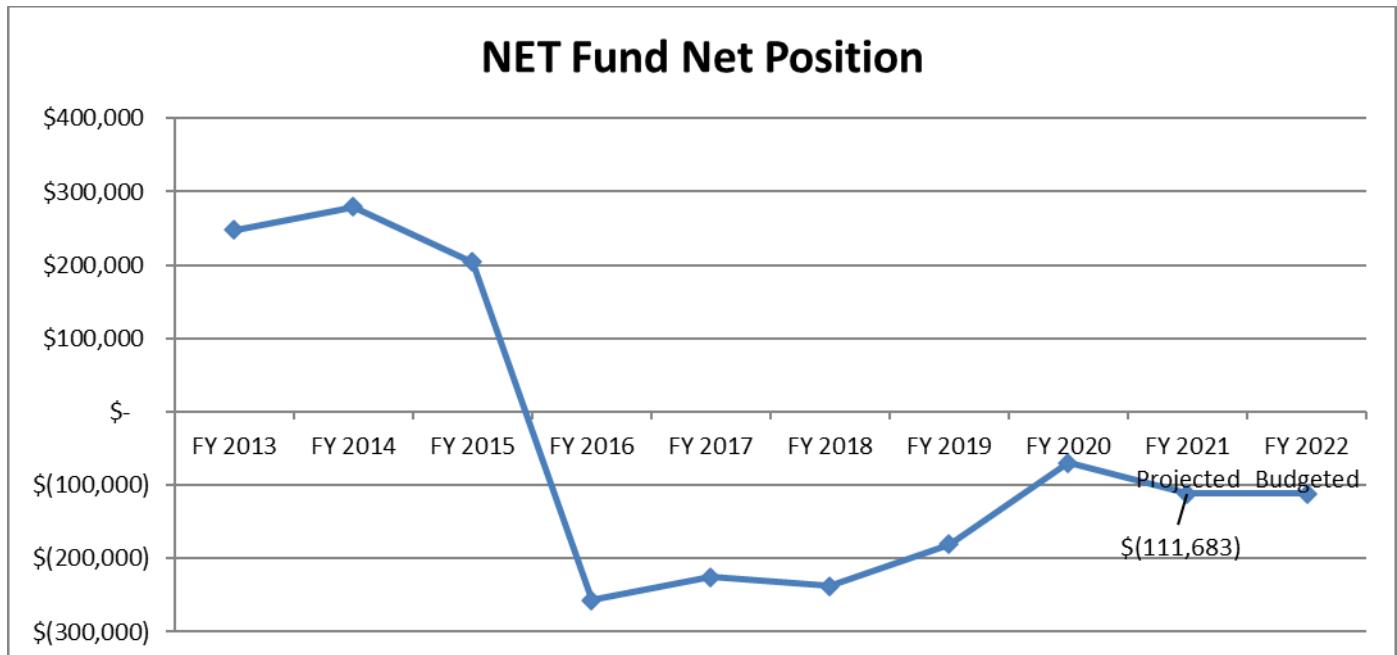
DESTINATION FREEPORT TIF FUND

The Destination Freeport TIF five-year capital program is projected to be adopted on April 27th, 2021, and the FY 2022 budget is scheduled to be adopted on June 15th, 2021. Maine State Statutes allow for tax-increment financing districts. Currently, the Town has five active TIF districts with two additional districts scheduled for FY 2023, but currently only one has increment available for infrastructure and economic development expenditures. The Town Council amended the Destination Freeport TIF in 2011 to “capture” more value and generate approximately \$25,000 more increment to support the Nordica Theatre development and support economic development efforts through the Freeport Economic Development Corporation (FEDC). In FY 2012, the Council increased the TIF’s “cap”, or value to which the tax rate is applied to generate an additional \$90,000 in increment to support economic development efforts through the Freeport Economic Development Corporation (FEDC). The FY 2022 budget includes sidewalk improvements, sidewalk equipment, and an Arts and Cultural Alliance request, along with mandatory credit enhancement agreement items, and economic development. These are detailed in the fund’s section of this document.

Destination Freeport Historic Value and Tax Increment				
Fiscal Year	TIF Cap	Mil Rate	TIF Increment	
FY 2010	\$ 11,415,100	\$ 12.75	\$ 145,543	
FY 2011	\$ 11,415,100	\$ 15.15	\$ 172,939	
FY 2012	\$ 17,000,000	\$ 15.20	\$ 258,400	
FY 2013	\$ 17,000,000	\$ 15.45	\$ 262,650	
FY 2014	\$ 17,000,000	\$ 15.85	\$ 269,450	
FY 2015	\$ 17,000,000	\$ 15.80	\$ 268,600	
FY 2016	\$ 18,332,146	\$ 16.80	\$ 307,980	
FY 2017	\$ 19,460,346	\$ 15.80	\$ 307,473	
FY 2018	\$ 20,000,000	\$ 14.95	\$ 299,000	
FY 2019	\$ 20,000,000	\$ 15.05	\$ 301,000	
FY 2020	\$ 20,000,000	\$ 14.30	\$ 286,000	
FY 2021	\$ 20,000,000	\$ 14.00	\$ 280,000	
FY 2022 Projected	\$ 20,000,000	\$ 14.55	\$ 291,031	

NON-EMERGENCY TRANSPORT FUND

The Non-Emergency Transport fund is the Town's only enterprise fund; the program has been in operation for over thirteen years. The firefighter/paramedics are scheduled to perform non-emergency ambulance runs to the local hospitals for patients who are unable to transport themselves to appointments and procedures. The fund lost equity; however, during FY 2016. The Town was hit with the unexpected closure of the local hospital where the majority of these runs came from and as staff projected the fund took a major hit. The anticipated June 30th, 2021 fund equity is approximately \$(112,000); however, staff has made operating adjustments to help offset this impact and keep it from increasing exponentially. The NET fund's historic net position is shown below.



WINSLOW PARK FUND

The Winslow Park was donated by Adelaide Winslow Harb in 1953; one of the stipulations of the donation was that the revenue generated by the park's rental fees stay in a separate fund for accounting purposes. The Winslow Park generates approximately \$280,000 in revenue from park rentals, concessions, and other revenues. The fund maintains a healthy fund balance between \$450,000 and \$600,000 depending upon the required capital projects. The Winslow Park five-year fund balance trend is shown in the adjoining chart. The Park staff's goals and objectives for FY 2022 are included in that fund's section of this document.



SUMMARY OF THE FY 2022 BUDGET

The FY 2022 budget was difficult to prepare, as the State's budget and pass-through revenues are primarily flat while costs of doing business increase annually. As the budget stands as proposed, the tax is likely to increase five point one-six percent on the municipal side. The total budget as proposed by the County, RSU, Transit and Town combined is four point three five percent up from last year and the projected tax increase for all four entities is four point three-four percent, or fifty-six cents per \$1,000 of value.

Town of Freeport Budget Recap FY 2021 vs FY 2022									
Taxing Body	Budget Amount				Tax Amount				% Increase
	FY 2021	FY 2022	\$ Increase	% Increase	FY 2021	FY 2022	\$ Increase	% Increase	
Cumberland County	\$ 1,243,618	\$ 1,286,019	\$ 42,401	3.41%	\$ 1,243,618	\$ 1,286,019	\$ 42,401	3.41%	
Regional School Unit #5	\$ 19,125,015	\$ 19,919,982	\$ 794,967	4.16%	\$ 19,125,015	\$ 19,919,982	\$ 794,967	4.16%	
Transit	\$ 77,934	\$ 82,939	\$ 5,005	na	\$ 77,934	\$ 82,939	\$ 5,005	na	
Town of Freeport	\$ 10,481,981	\$ 10,985,225	\$ 503,244	4.80%	\$ 5,307,981	\$ 5,582,125	\$ 274,144	5.16%	
Total Increase \$ 1,345,617				4.35%	Total Increase \$ 1,116,517				4.34%

While the upcoming year's budget is the subject of discussion, it is important to estimate where each budgeted fund will end up on June 30th, 2021. Certainly, these figures are subject to change based upon the next two and-a-half months, but the funds' projections are below.

The FY 2022 budget includes projections from the fiscal year ending June 30th, 2021. These projections are as follows:

FY 2021 Fund Balance Projections Funds Subject to Appropriation						
	6/30/2020	Projected		6/30/2021	\$ Increase/ (Decrease)	% Increase/ (Decrease)
	Fund Balance	Revenues	Expenditures	Fund Balance		
General Fund-Budgetary Basis	7,230,875	11,754,467	11,318,081	7,667,261	\$ 436,386	6.04%
Destination Freeport TIF Fund	330,948	280,000	255,000	355,948	\$ 25,000	7.55%
NET Fund	-70,062	210,000	251,621	-111,683	\$ (41,621)	59.41%
Winslow Park Fund	585,144	252,500	265,420	572,224	\$ (12,920)	-2.21%

It is notable that the general fund's fund balance is projected to increase by \$436,386 during FY 2021. This is a preliminary estimate, and staff has taken a very conservative approach to department expenditures along with some unanticipated revenues. If departments under-spend their budgets (which they are directed to each year), the fund will show a surplus. Per Town policy, any fund balance above the one and-one-half minimum plus five percent allowed amount is either transferred to reserves if balances warrant funding, or can be used to offset taxes or conduct other projects as designated by the Town Council. Staff will report to the Town Council each year on the status of the general fund's fund balance after the financial statements are completed. During FY 2020, a portion of the excess fund balance was transferred to reserves to stabilize the accounts and a portion remained in the general fund to help reduce the tax impact. The next five years of proposed capital budgets have been reviewed and constructed to minimize substantial impact to the reserves as several of the Town's reserves contain lower balances than the benchmarks of the sum of the five-year plan or twenty percent of the 20-year capital improvement plan. Staff will continue to fund the reserves in order to achieve the proper levels if possible this year and will report back to the Council on this effort after the financial statements are completed.

The Destination Freeport TIF fund will receive approximately \$280,000 in increment during FY 2021, and the proposed budget for the fund is \$255,000. It is expected that the fund balance in the Destination Freeport TIF will increase by that difference of approximately \$25,000 during FY 2021, and the capital program includes \$375,000 in capital improvements in the subsequent year.

The Non-emergency transport fund is projected to lose \$41,621 in net assets during FY 2021, and staff is watching the fund closely. Staff will be working with the department and watching the fund into FY 2022 and beyond for any changes that would cause the fund's net assets to deteriorate further and if necessary, report back to the Council on this.

The Winslow Park fund's fund balance is projected to decrease \$12,920 during FY 2021, and while the Park's budget is balanced for FY 2022, it is likely that the operations will realize a stable fund balance now that many of the Park's capital projects are complete. This fund has historically generated surpluses each year, but during the past couple of years the Winslow Park Commission has conducted large-scale erosion control and other renovation projects in order to keep the Park beautiful to residents and visitors alike.

We are pleased to begin the official budget process and encourage any Council questions or comments. We look forward to answering them and conducting an efficient and transparent budget process.

PUBLIC SESSIONS

Each year, department heads assemble in the Town Council chambers to conduct an informal “Q&A” session with any public member who wishes to attend. This is a nice opportunity for residents or business-owners to gain information on the budget in a “low-pressure” setting.

May 11th from 7:30-8:30 AM: public Q&A with department heads in the Council chambers

May 11th from 5:00-6:00 PM: public Q&A with department heads in the Council chambers

For FY 2022, management has cancelled the informal public sessions in light of COVID-19 restrictions.