



## TOWN OF FREEPORT, MAINE

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### MEMORANDUM

TO: Freeport Town Council  
FROM: Peter Joseph, Town Manager  
DATE: 04/28/22  
RE: **FY23 Operating Budget Proposal – discussion of major cost items**

The enclosed FY23 Operating Budget proposal includes an estimated overall increase of 4.25% on the local property tax levy, which represents an estimated \$0.55 increase on the local property tax rate. Of the four taxing government units (Town, RSU, County, and Transit District) that make up this proposed increase, the Town portion accounts for approximately \$0.26 of this tax rate increase. However, the proposed Town tax levy increase this year represents an increase of approximately \$535K, or 9.90%, over last year's levy. This amount is notably higher than in past years, and there are two main themes that account for the majority of the proposed increase. While I strongly feel these increases are necessary and justified, I believe they deserve further exploration and explanation, as described:

#### **Proposed New Programs/Positions**

Over the past year, various Town Committees, Department Heads, and the Town Council have identified, prioritized, and requested the addition of several new programs and positions prior to creation of this year's budget. The Manager's Office and Finance Department have reviewed the requests below and agree that they are critical staffing upgrades that should be prioritized for addition to this year's operating budget, even though they will have a sizable impact. The five new/expanded positions noted below collectively constitute approximately \$335K of the proposed \$535K levy increase.

#### **1) Police Department Mental Health Professional - 1 additional FTE, \$100K (pay & benefits)**

This position is recommended by the Police Department, Police Advisory Committee, and Manager's Office to assist the Police Department in response to a wide array of calls for service that typically require skills beyond the training and qualifications of any of our current Police Department employees. Mental health and substance related calls are making up an increasing number of calls for service, and while our Police employees typically handles these calls extremely well, many aspects of these calls could better utilize the skills of an individual who is trained and qualified to respond as part of their job duties.

### **2) Zoning Administrator - 1 additional FTE, \$115K (pay & benefits)**

This position was previously discussed and supported by the Town Council. We are currently in the recruitment phase of this hiring, however it is not budgeted for in the current operating budget.

### **3) Fire/Rescue Department - Conversion of (2) FTEs worth of part-time wages into 2 FT supervisor positions - 0 additional FTE, \$80K (benefits only)**

While the Fire/Rescue Department has successfully provided emergency services to the Town of Freeport utilizing a combination of full time, part time, and “per-diem” scheduling in the past, utilizing part time and per-diem employees to fill critical emergency response positions has become exceedingly difficult over the past several years, and this “conversion” is recommended by the Fire Department and Town Manager’s Office to ease these concerns. These positions would convert existing “per-diem” and part-time hours used to staff our 24-hour ambulance duty crews into 2 full time supervisor’s positions at the rank of Lieutenant or Captain. These positions would allow the scheduling of one full time supervisor's position at the lieutenant or captain level per every three line level Firefighter/EMT or Firefighter/Paramedic positions.

### **4) Sustainability Coordinator – 0.5 FTE \$40K (pay only)**

This position would provide the ability to hire a part-time position, or split a full time position with a neighboring municipality. The Sustainability Advisory Board has recommended this position, which was supported by several members of the Council when it was informally discussed earlier this year.

## **Major cost adjustments recommended due to inflation and rising costs:**

### **1) Cost of living adjustment for employees - collectively \$225K**

The Town Manager’s Office is recommending a cost-of-living adjustment (COLA) of 5.5% for most employees. Town employees received a 0% COLA in FY21 and a 4% COLA in FY22. In addition to the proposed 5.5% COLA in FY23, this constitutes an increase of 9.5% over a three-year period. For comparison, inflation as measured by the Consumer Price Index (CPI) increased by 11.3% over the past 36 months. In the current competitive job market, providing COLAs below the rate of inflation can severely impact employee retention. (Note: employees covered under union agreements received/will receive different but comparable COLAs over the three-year period described above as required by their Collective Bargaining Agreement.)

### **2) Paving line increase - \$100K**

Due to rising commodity prices, we are recommending an increase of \$100K in order to continue the same level of maintenance of our road infrastructure.

### **3) Increases to individual pay scales required to stay competitive in recruitment and retention of employees – various costs**

Several pay scales (including Fire/Rescue, Public Works, and others) either required mid-year adjustment in FY22 or will require adjustment in FY23 to stay competitive from a recruitment and retention point of view.

**Items not included in FY23 Operating Budget proposal which the Town Council may wish to consider for inclusion:**

**1) Freeport Grange funding request - \$10,500**

After the finalization of the draft budget and its transmittal to the Town Council, the Grange submitted a request for funding including a sponsorship component and a capital contribution component. In light of funding provided by the Town to other local non-profits through the capital and operating budget processes I did feel it fair to include this request for further consideration by the Council. This is the first request for funding from this organization in recent memory.

**2) PORT Teen Center - \$8,250**

This request was also received after finalization of the draft budget but before transmittal to the Town Council. The Town has traditionally funded this request in the past.

**3) Communications Staffing - \$100K**

This item was discussed by the Town Council at several points over the past year. Although Town staff recognize the potential value of this position, it was not included in the proposed Operating Budget due to the higher prioritization of several other proposed staffing changes listed above.