FY26 Town Manager’s Budget for Newcastle ME

Presented at the 2-24-2025 Select Board Meeting

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Introduction to a Municipal Budget

What is a municipal budget?

All of the expenses and revenues that the Town of Newcastle needs to provide quality services for its citizens for a full fiscal year

What is a Fiscal Year?

The Town's Fiscal Year is July 1st–June 30th

The "Year" is represented by the last day of that fiscal year.

Example: Fiscal Year 2026 (the one we'll be working on), goes from July 1, 2025 to June 30, 2026

Introduction to a Municipal Budget

What is the property tax rate?

The Town calculates taxes by dividing the net of expenditures minus non-property tax revenues by the total assessed value of the town.

What is the Mil Rate?

The Mil Rate is the property tax rate per $1000 of property value. For Fiscal Year 2025, the Mil Rate was $13.60

Example: The Median Home assessed value for all residential properties in Newcastle was $377,700.

$377.70 X $13.60 = $5,136.72

or $428.06 per month

Functions of Government

A broad interpretation, but government has three primary functions:

Functions of Government (Kevin's interpretation)

Government is in place to create order and allow ALL the opportunity to lead happy, healthy, and successful lives.

Education is the key to the future strength of a community, state, and a nation.

Public, Health, and Life safety – Police, Fire, and Code enforcement provide a sense of security for a community to feel safe and trust that they are supported by something bigger.

Public Infrastructure – Roads, Bridges, Water, Sewer, Parks – the infrastructure which allows us to get from point A to point B and to enjoy the inbetween.

Functions of Government

Three primary functions as a percent of the FY25 Fiscal Year Approved Budget:

49.70%

29.09%

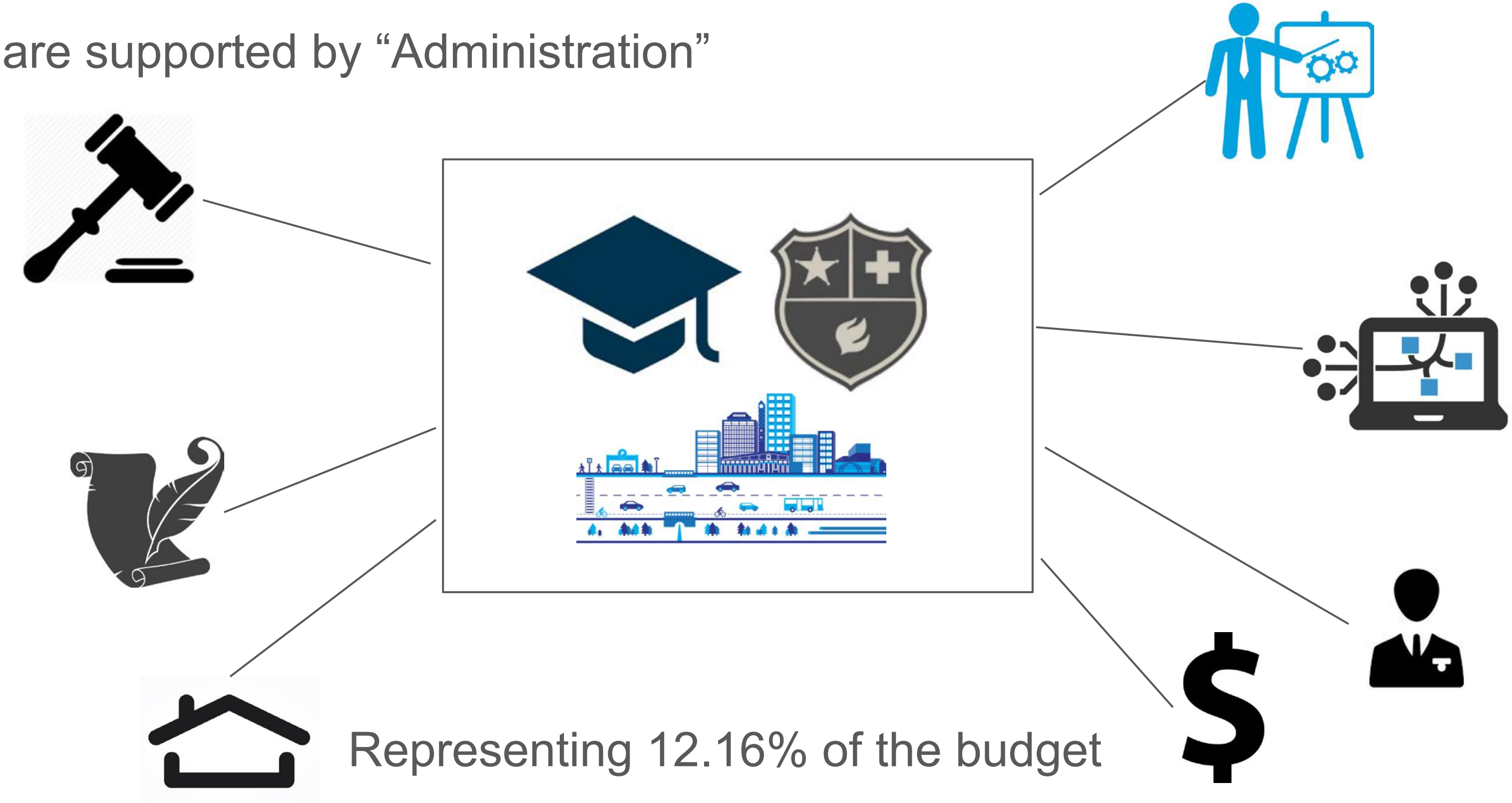
9.04%

Functions of Government

These three functions represent 87.07% of the total annual budget.

Functions of Government

These are supported by “Administration”



Representing 12.16% of the budget

How do we pay for all this?

In Maine, primarily with property taxes.

Assessed value for FY25 in Newcastle is just over $467 million

The total annual budget for the town is nearly $7.7 million

And about $6.4 million of that was paid for property taxes.

Simplified math: **$6,400,000 / $467,000,000 = .01370**

(or $13.70 per thousand of value) (NOTE: current mil rate is actually $13.60)

Median Home (simplified) 380 x 13.70 = $5,206 or $433.83 per month

SCENARIO 1:

How will a re-valuation effect this?

Holding the **budget flat**, this would, in theory lower the mil rate but would keep the taxes the same.

Simplified math: **6,400,000 / 467,000,000 = .01370**

Median Home of $380,000 pays $433.83 a month

Constant

All properties are increased 10% to better align with Market value

6,400,000 / 513,700,000 = .01246

Median Home of $418,000 pays $434.02 a month

(or $2.28 more per year)

SCENARIO 2:

Cost rise, taxes rise

Assume a 4% increase on the budget and no change to the Assessed Value

Simplified math: **6,400,000 / 467,000,000 = .01370**

Median Home of $380,000 pays $433.83 a month

Constant

6,656,000 / 467,000,000 = .01426

Median Home of $380,000 pays $451.57 a month

(or $212.88 more per year)

SCENARIO 3:

Cost rise, building happens, what about taxes?

Assume a 4% increase on the budget, no change to the existing Value, and a 4% increase in value from new construction projects.

Simplified math: **6,400,000 / 467,000,000 = .01370**

Median Home of $380,000 pays $433.83 a month

Constant

6,656,000 / 485,680,000 = .01370

Median Home of $380,000 pays $433.83 a month

(no change in taxes)

SCENARIO 4:

Cost rise, more building happens, what about taxes?

Assume a 4% increase on the budget, no change to the existing Value, and a 5% increase in value from new construction projects.

Simplified math: **6,400,000 / 467,000,000 = .01370**

Median Home of $380,000 pays $433.83 a month

Constant

6,656,000 / 490,350,000 = .01357

Median Home of $380,000 pays $429.72 a month

(or $49.32 less per year)

So, Municipal government is in the real estate business?

In a state where property taxes are heavily relied on, I would argue, yes.

While it is always prudent to keep an eye on the operating budget and to ensure efficient use of taxpayer dollars….

What ultimately keeps the mil rate stable while continuing to providing quality service to the residents is for municipalities to see a rate of ‘improvements’ that is in line with or occasionally outpacing that of the cost of operations.

What can we do?

Support Newcastle.

Support smart growth in our town.

Tell your friends, once we’ve fixed the housing crunch, to move here.

Tell your friends who own businesses to consider expanding.

Tell your colleagues to start a business in Newcastle.

Start a business in Newcastle.

Shop, dine, live, swim, walk, bike, love Newcastle

Get involved.

Make a difference.

Budget Meeting Schedule

Three workshops with the Select Board and 1 Select Board meeting in March

Two additional Select Board meetings in April.

March 2025

SUN 23	MON 24	TUE 25	WED 26	THU 27	FRI 28	SAT Mar 1
2	3	4	5 Workshop	6	7	8
9	10	11	12 Workshop	13	14	15
16	17	18	19 Workshop	20	21	22
23	24 **SB Meeting** Review proposed changes to the budget	25	26	27	28	29
30	31	Apr 1	2	3	4	5

April 2025

SUN	MON	TUE	WED	THU	FRI	SAT
30	31	Apr 1	2	3	4	5
6	7	8	9	10	11	12
13	14 **SB Meeting** Public Input on the Budget	15	16	17	18	19
20	21	22	23	24	25	26
27	28 **SB Meeting** Set Budget and approve Warrant Articles	29	30	May 1	2	3

Budget Meeting Schedule

Three workshops with the Select Board and 1 Select Board meeting in March

Two additional Select Board meetings in April.

3/05 - Workshop on Public Works and Capital Roads Program

3/12 - Workshop on Community and Public Services, Public Safety, Transfer to Reserves (excluding Capital Roads Program) and Debt Service

3/19 - Workshop on General Government and Planning and Development, as well as the Education Budget and County Budget

3/24 - Select Board meeting will include item to discuss and vote on proposed changes

4/14 - Public Comment period on the budget

4/28 - Approval of Warrant articles for June Town Meeting

Budget Meeting Schedule

Workshop Format:

3/5 - 1. Recap of Municipal Budget Summary

2. Public Works

3. Capital Roads Program

Questions asked during the meeting will be developed into a memo with all responses at the beginning of the next meeting. This will give staff time to research and provide meaningful answers.

If Select Board members have motions for changes to the budget ahead of 3/24, please submit them to staff during a workshop or to the Town Manager via email.

Budget Meeting Schedule

Workshop Format:

3/12- 1. Review of Q+A from week before

2. Community and Public Services
3. Public Safety
4. Transfer to Reserves (excludes Roads)
5. Debt Service

Questions asked during the meeting will be developed into a memo with all responses at the beginning of the next meeting. This will give staff time to research and provide meaningful answers.

If Select Board members have motions for changes to the budget ahead of 3/24, please submit them to staff during a workshop or to the Town Manager via email.

Budget Meeting Schedule

Workshop Format:

3/19- 1. Review of Q+A from week before

2. General Government
3. Planning and Development
4. Education Budget
5. County Budget

Questions asked during the meeting will be developed into a memo with all responses at the beginning of the next meeting. This will give staff time to research and provide meaningful answers.

If Select Board members have motions for changes to the budget ahead of 3/24, please submit them to staff during a workshop or to the Town Manager via email.

Reviewing the Budget Book

Similar to last year.

We are providing a hard copy of the Manager's budget in book form for your consideration.

This should be extremely helpful for note taking, better understanding of the big picture which we hope results in more in depth conversations.

NEWCASTLE BUDGET
FISCAL YEAR 2026

COMMUNITY AND PUBLIC SERVICES

	FY23 Actual*	FY24 Actual*	FY25 Budget	FY25 YTD (2.14.25)	FY26 Manager	Net Change $	Net Change %	NOTES:
WASTE DISPOSAL								
10-05 SEPTIC WASTE CONTRACT	2,300.00	2,300.00	2,300.00	2,300.00	2,300.00			
10-10 TRANSFER STATION	117,863.70	123,769.46	143,700.00	84,360.25	150,130.00	6,430.00	4.47%	
WASTE DISPOSAL TOTAL	**120,163.70**	**126,069.46**	**146,000.00**	**86,660.25**	**152,430.00**	**6,430.00**	**4.40%**	
GENERAL ASSISTANCE								
51-99 BUDGET	0.00	255.76	2000.00	0.00	2000.00			
GENERAL ASSISTANCE TOTAL	**0.00**	**255.76**	**2,000.00**	**0.00**	**2,000.00**			
PROVIDER AGENCIES								
89-11 COASTAL KIDS	2,000.00	2,000.00	4,000.00	4,000.00	4,000.00			
89-13 MIDCOAST CONSERVANCY	3,000.00	3,000.00	3,000.00	3,000.00	6,000.00	3,000.00	100.00%	
89-14 ECUMENICAL FOOD PANTRY	500.00	500.00	500.00	500.00	500.00			
89-15 HEALTHY KIDS	1,700.00	1,700.00	0.00	0.00	1,700.00	1,700.00		
89-16 HEARTY ROOTS	0.00	0.00	2,000.00	2,000.00	2,000.00			
89-17 LCTV	13,500.00	13,500.00	13,500.00	13,500.00	15,000.00	1,500.00	11.11%	
89-18 MAINE BROADCASTING	100.00	100.00	100.00	100.00	100.00			
89-19 MIDCOAST ME COMMUNITY ACTION	1,500.00	1,500.00	1,400.00	1,400.00	0.00	-1,400.00	-100.00%	
89-20 NEW HOPE FOR WOMEN	830.00	996.00	996.00	996.00	1,210.00	214.00	21.49%	
89-21 SKIDOMPHA LIBRARY	27,612.00	27,612.00	27,612.00	27,612.00	27,612.00			
89-22 SPECTRUMS GENERATION	1,756.00	1,756.00	1,756.00	1,756.00	1,844.00	88.00	5.01%	
PROVIDER AGENCIES TOTAL	**50,798.00**	**50,964.00**	**54,864.00**	**54,864.00**	**59,966.00**	**5,102.00**	**9.30%**	
102 - PUBLIC SERVICES TOTAL	**170,961.70**	**177,289.22**	**202,864.00**	**141,524.25**	**214,396.00**	**11,532.00**	**5.68%**	

Reviewing the Budget Book

The FY25 Budget Book has 7 Sections:

Section 1: Manager’s Memo and Other Documentation

Section 2: Municipal Expenditures

Section 3: Municipal Revenues and Fee Schedule

Section 4: Reserve and Grant Accounts

Section 5: Capital Improvement and Asset Inventory

Section 6: School and County Budgets

Section 7: Community and Public Services Requests

Reviewing the Budget Book

Headers on

Section 2: Municipal Expenditures

Section 3: Municipal Revenues and Fee Schedule

FY23	FY24	FY25	FY25	FY26	Net Change	
Actual*	Actual*	Budget	YTD (2.14.25)	Manager	$	%

This column represents what was actually spent in Fiscal Year 2023 (July 1st, 2022 to June 30th, 2023).
*These numbers have not been independently audited at the time the budget book was developed.

Reviewing the Budget Book

Headers on

Section 2: Municipal Expenditures

Section 3: Municipal Revenues and Fee Schedule

FY23 Actual*	FY24 Actual*	FY25 Budget	FY25 YTD (2.14.25)	FY26 Manager	Net Change $	%

This column represents what was actually spent in Fiscal Year 2024 (July 1st, 2023 to June 30th, 2024).
*These numbers have not been independently audited at the time the budget book was developed.

Reviewing the Budget Book

Headers on

Section 2: Municipal Expenditures

Section 3: Municipal Revenues and Fee Schedule

FY23 Actual*	FY24 Actual*	FY25 Budget	FY25 YTD (2.14.25)	FY26 Manager	Net Change $	%

This column represents what was approved at the Annual Town Meeting in June of 2024 for Fiscal Year 2025 (July 1st, 2024 to June 30th, 2025) and includes carry forwards, use of reserves, and budget amendments made at the Special Town Meeting in December of 2024.

Reviewing the Budget Book

Headers on

Section 2: Municipal Expenditures

Section 3: Municipal Revenues and Fee Schedule

FY23	FY24	FY25	FY25	FY26	Net Change	
Actual*	Actual*	Budget	YTD (2.14.25)	Manager	$	%

This column represents what has been spent July 1st, 2024 through February 14th 2025 and was used to make some of the assumptions for cost projections into FY26.

Reviewing the Budget Book

Headers on

Section 2: Municipal Expenditures

Section 3: Municipal Revenues and Fee Schedule

FY23	FY24	FY25	FY25	FY26	Net Change	
Actual*	Actual*	Budget	YTD (2.14.25)	Manager	$	%

This column represents what the Town Manager has proposed for expenditures and revenues for Fiscal Year 2026 (July 1, 2025 to June 30, 2026)

Reviewing the Budget Book

Headers on

Section 2: Municipal Expenditures

Section 3: Municipal Revenues and Fee Schedule

FY23	FY24	FY25	FY25	FY26	Net Change	
Actual*	Actual*	Budget	YTD (2.14.25)	Manager	$	%

The first Net Change column '$' represents the subtraction of the 'FY25 Budget' column from the 'FY26 Manager' column and the second column '%' is the result of '$' divided by 'FY25 Budget' column. Numbers in **black** are an increase to the budget, negative amounts in **red** are a decrease to the specific budget line.

Reviewing the Budget Book

Line Item example:

Section 2: Municipal Expenditures, General Government, Operations:

	FY25 Budget	FY26 Manager	Net Change $	Net Change %
OPERATIONS/SERVICES				
25-04 MMA ANNUAL DUES	3,746.00	3,755.00	9.00	0.24%
25-05 POSTAGE/ENVELOPES	7,200.00	6,500.00	-700.00	-9.72%
25-07 ELECTION SUPPLIES	2,500.00	2,500.00		
25-09 COMPUTER SUPPORT	8,500.00	8,000.00	-500.00	-5.88%
25-11 SOFTWARE	28,300.00	28,632.50	332.50	1.17%
25-12 WEBSITE	2,665.00	3,000.00	335.00	12.57%

Reviewing the Budget Book

The numbers on the left of the pages for Section 2 and 3:

These are numbers used in our software to code the accounts.

General Government is coded as 101

Cemetery Maint (a division of General Government) is 70.

Cemetery Mowing Contract (02) is a line item within the division.

This line item is in the financial system as: **101-70-02**

CEMETERY MAINT

70-01 CEMETERY MAINTENANCE

70-02 CEMETERY MOWING CONTRACT

70 - CEMETERY MAINT TOTAL

VETERAN PARK

78-01 MAINTENANCE/PLANTINGS

78 - VETERAN PARK TOTAL

MISC

99-99 CONTINGENCY

99 - MISC TOTAL

101 - GENERAL GOVERNMENT TOTAL

Reviewing the Budget Book

The numbers on the left of the pages for Section 2 and 3:

A new feature this year.

New accounts!

COMPENSATION
01-21 PLANNER
! 01-22 CODE ENFORCEMENT
COMPENSATION TOTAL

CODE ENFORCEMENT OFFICER
06-01 CEO COMPENSATION
CEO COMPENSATION TOTAL

In this instance, we're cleaning up some of the accounting (putting compensation lines under compensation organizations). We've zeroed out the 06-01 line and added a new account as 01-22

Reviewing the Budget Book

The FY25 Budget Book has 7 Sections:

Section 1: Manager’s Memo and Other Documentation

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Section 3: Municipal Revenues and Fee Schedule

$\boxed{\text{Section 4: Reserve and Grant Accounts}}$

Section 5: Capital Improvement and Asset Inventory

Section 6: School and County Budgets

Section 7: Community and Public Services Requests

Reviewing the Budget Book

Section 4: Reserve and Grant Accounts

We have 12 Reserve Accounts:

Alewives
Building
Building Maintenance
Computer
Fire Truck
Fringe Benefit
Harriet Bird Clubhouse
PFAs Remediation
Revaluation
Road
Severe Storm
Veterans Park

Budget Book will have summaries of any planned expenses for these accounts through remainder of FY25 and FY26

Reviewing the Budget Book

Section 4: Reserve and Grant Accounts

We have 6 Active Grants or Special Projects that we're tracking:

ASK Grant-LCRPC
FEMA-4719 May Day Storm
LC ARPA Affordable Housing
Solar Panel System Elective Pay
State & Local Cybersecurity
VPI Grant

OTHER:
(not included) - joint DECD grant with Damariscotta (they're managing this one) for site identification and site plan work for workforce housing.

Reviewing the Budget Book

Section 4: Reserve and Grant Accounts

Other Grants we've applied for:

- Assistance for Firefighters (December 2024) SCBA Gear ($147,508.66)
- Community Action Grant (December 2024) Batteries and communication for resilience ($75,000)

Other Grants we're actively pursuing:

- ASK Grant - LCRPC (Spring 2025) Along with Damariscotta to explore PW Department Options ($5,000 for a consultant)
- FEMA-4719 May Day Storm - ongoing - Large Project (replacement of minor span with Bridge ~1.8 million)

Reviewing the Budget Book

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Section 5: Capital Improvement and Asset Inventory

Section 6: School and County Budgets

Section 7: Community and Public Services Requests

Reviewing the Budget Book

Section 5: Capital Improvement and Asset Inventory

This section currently has three components showing our inventory and replacement schedules:

- Newcastle Roads
- Facilities
- Town assets - Vehicles and Equipment

As priorities and needs change and unforeseen circumstances prevent the best laid plans, this should be reviewed and updated on annual basis as part of the budget process.

Reviewing the Budget Book

The FY25 Budget Book has 7 Sections:

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Section 6: School and County Budgets

Section 7: Community and Public Services Requests

Reviewing the Budget Book

Section 6: School and County Budgets

This section will contain two subsections:

- The County Budget and Newcastle’s finance share
- Regional School Unit #48 (RSU#48)

  No longer:

  - GSB Community School District (and now Adult Education)
  - Secondary Education

County budget has been approved (a 7.18% increase for Newcastle), the board is making decisions about use of reserves to reduce the burden before sending us the bill.

School District is just starting their budget process now. Should have info in March.

Reviewing the Budget Book

The FY25 Budget Book has 7 Sections:

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Section 6: School and County Budgets

Section 7: Community and Public Services Requests

Reviewing the Budget Book

Section 7: Provider Agency Requests

This section includes all the letters we've received for requests for funding by provider agencies.

All the documentation related to this is also available in a Google Workspace folder that can be found HERE.

Reviewing the Budget Book

The FY25 Budget Book has 7 Sections:

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Section 7: Community and Public Services Requests

Reviewing the Budget Book

Section 1: ~~Manager's Memo and~~ Other Documentation

Reviewing the Budget Book

Section 1: Other Documentation

There are eight sections in the municipal portion of the expenditure budget:

101 - GENERAL GOVERNMENT
102 - COMMUNITY AND PUBLIC SERVICES
103 - PLANNING & DEVELOPMENT
105 - PUBLIC SAFETY
107 - PUBLIC WORKS
110 - DEBT SERVICE
118 - TRANSFER TO RESERVES
801 - HARBOR

Reviewing the Budget Book

Section 1: Other Documentation

And three ways to look at the summary documents.

Adopted budget with use of fund balance (as presented in the line item section)

Adopted budget without use of fund balance

Modified budget without use of fund balance, but includes carry forwards and changes made at the Special Town Meeting in December 2024.

Adopted budget with use of fund balance

NEWCASTLE BUDGET

FISCAL YEAR 2026

BUDGET SUMMARY

(includes use of fund balance and reserve account transfers)

	FY25 ADOPTED BUDGET	FY26 TOWN MANAGER BUDGET	Net Change $	Net Change %
101 - GENERAL GOVERNMENT	739,168.00	696,679.00	-42,489.00	-5.75%
102 - COMMUNITY AND PUBLIC SERVICES	202,864.00	209,594.00	6,730.00	3.32%
103 - PLANNING & DEVELOPMENT	90,671.00	102,651.00	11,980.00	13.21%
105 - PUBLIC SAFETY	285,630.50	295,372.00	9,741.50	3.41%
107 - PUBLIC WORKS	812,450.00	975,911.00	163,461.00	20.12%
110 - DEBT SERVICE	249,857.00	247,916.00	-1,941.00	-0.78%
118 - TRANSFER TO RESERVES	1,237,035.00	1,028,500.00	-208,535.00	-16.86%
801 - HARBOR	0.00	6,517.00	6,517.00	0.00%
TOTAL MUNICIPAL BUDGET	**3,617,675.50**	**3,563,140.00**	**-54,535.50**	**-1.51%**

Adopted budget *without use of fund balance

NEWCASTLE BUDGET
FISCAL YEAR 2026
BUDGET SUMMARY

	FY25* ADOPTED BUDGET	FY26 TOWN MANAGER BUDGET	Net Change $	Net Change %
101 - GENERAL GOVERNMENT	683,168.00	696,679.00	13,511.00	1.98%
102 - COMMUNITY AND PUBLIC SERVICES	202,864.00	209,594.00	6,730.00	3.32%
103 - PLANNING & DEVELOPMENT	90,671.00	102,651.00	11,980.00	13.21%
105 - PUBLIC SAFETY	285,630.50	295,372.00	9,741.50	3.41%
107 - PUBLIC WORKS	812,450.00	975,911.00	163,461.00	20.12%
110 - DEBT SERVICE	249,857.00	247,916.00	-1,941.00	-0.78%
118 - TRANSFER TO RESERVES	1,069,035.00	1,028,500.00	-40,535.00	-3.79%
801 - HARBOR	0.00	6,517.00	6,517.00	0.00%
TOTAL MUNICIPAL BUDGET	**3,393,675.50**	**3,563,140.00**	**169,464.50**	**4.99%**

Modified budget without use of fund balance, but includes carry forwards and changes made at the Special Town Meeting in December 2024.

NEWCASTLE BUDGET
FISCAL YEAR 2026
BUDGET SUMMARY

	FY25* MODIFIED BUDGET	FY26 TOWN MANAGER BUDGET	Net Change $	Net Change %
101 - GENERAL GOVERNMENT	687,168.00	696,679.00	9,511.00	1.38%
102 - COMMUNITY AND PUBLIC SERVICES	202,864.00	209,594.00	6,730.00	3.32%
103 - PLANNING & DEVELOPMENT	90,671.00	102,651.00	11,980.00	13.21%
105 - PUBLIC SAFETY	289,030.50	295,372.00	6,341.50	2.19%
107 - PUBLIC WORKS	976,450.00	975,911.00	-539.00	-0.06%
110 - DEBT SERVICE	249,857.00	247,916.00	-1,941.00	-0.78%
118 - TRANSFER TO RESERVES	953,535.00	1,028,500.00	74,965.00	7.86%
801 - HARBOR	0.00	6,517.00	6,517.00	0.00%
TOTAL MUNICIPAL BUDGET	**3,449,575.50**	**3,563,140.00**	**113,564.50**	**3.29%**

More information

This presentation and all of the sections (and future additions/edits) will be available on the Town website:

Under:

Government
Town Manager
Fiscal Year 2026 Budget

Or go to:

https://www.newcastlemaine.us/town-manager/pages/fiscal-year-2026-budget