

May 31 Budget Message

According to the Caribou City Charter, Section 5.04 Submission of Budget and Budget Message, “The City Manager shall submit to the City Council draft and final budget reports for adoption as outlined in Section 5.06. The City Manager shall provide a final budget report to the citizens on or before the 31st of May.” In Section 5.05 Budget message, “The City Manager’s message shall explain the budget both in fiscal terms and in terms of the work programs. It shall outline the proposed financial policies of the City for the ensuing fiscal year, describe the important features of the expense and income budget, together with the reasons for such changes, summarize the City’s debt position and include such other material as the City Manager deems desirable.” Information on the City of Caribou budgets can be found on the website:

<https://www.cariboumaine.org/government/budgets/>

The 2024 Municipal budget was passed on March 18, 2024, as follows:

The General Fund departmental expense budget -	\$11,084,281
The Enterprise Fund departmental expense budget -	\$ 672,279
The Capital expense budget -	\$ 1,244,980
The General Fund departmental revenue budget -	\$10,625,226
The Enterprise Fund departmental revenue budget -	\$ 738,344

The overall general fund departmental expense budget is up 14%.

As in most households and businesses, increases are seen in areas like electricity, fuel, health insurance, vehicle insurance, and gas. Commodities like lubricants, liquid deicers, gas/solvents, paint, and asphalt prices have also increased. Additionally, employee wages have increased. The minimum wage was increased by the State of Maine in 2024. Unionized employees have wage increases based on their respective collective bargaining agreements. Non-union, non-contracted employees received a 2% cost-of-living-adjustment. The part-time employees at the library had their wages increased at a rate greater than other employees. One library employee was transitioned from part-time to full-time. 2024 will be the first full year

that the Nylander will be operating since pre-COVID. For the police department, budget increases were made to encourage officer safety and morale. This includes adding a detective position, funding for new tactical vests and plate carriers as well as radios and consistent uniforms. In general government, a position will be added to the city manager's office to assist with planning and economic development. Additionally, in the tax assessment and code enforcement department, the salary was increased for the code enforcement officer to reflect the need for increased planning and enforcement activities. The positions in all departments were funded as if they would be filled for all of 2024. However, the police department remains short staffed in 2024.

Other than the closure of the mobile home park, no cuts were made to the services provided to the citizens of Caribou. However, there were no contributions made to local organizations in the 2024 budget.

The overall enterprise fund departmental expense budget is up 42%.

Enterprise funds are separate from general fund budgets because the revenue generated in the department is sufficient to meet or exceed the expenses required to provide the services. The Economic Development enterprise department is funded by the revenue generated by the Tax Increment Financing district. In 2024, there are some initiatives going forward to make Caribou a place welcoming for business expansion, retention, and attraction. The Housing and FSS departments are funded by grants from US Department of Housing and Urban Development to provide the Housing Choice Voucher and Family Self-Sufficiency programs. The Housing department added a part-time position in 2024 and plans to make the position full-time in 2025. The Snowmobile Trail Maintenance department is funded through state of Maine grants to maintain the trails which are an important part of Caribou's outdoor recreation economy.

The capital expense budget is down 6%.

In 2023, the capital budget was \$1,317,950 and in 2024, the capital budget is \$1,244,980. The city has received grant funds for several capital projects. City staff provides updates on the various grant activities on a regular basis on the website.

<https://www.cariboumaine.org/grants/>

The general fund revenue budget is up 1%.

In 2023, the general fund revenue budget was \$10,497,357 and in 2024, the general fund revenue budget is \$10,625,226. The actual revenue in 2023 was \$11,466,454. The decision was made to use \$608,498 in surplus 2023 revenues in 2024.

The City's debt position in 2024.

The bio-mass pellet boiler payment period will finally be completed in 2025. In 2022, the City Council decided to borrow money for capital projects. Much of those funds have not been spent as they were appropriated for the Caribou Fire Station. The City applied for and received a FY2024 Congressionally Directed Spending request from Senator Susan Collins which will leverage these capital funds and funds from a FY2022 Aroostook County ARPA grant match to make improvements to the conditions at the station.

2024 payments towards the 2013 biomass boiler project - \$123,700

2024 payments towards the 2022 capital projects loan - \$200,000

The voters in the City of Caribou approved up to \$10,000,000 for a loan to construct a new Police Station. The City has also received a \$2,500,000 FY2023 CDS grant championed by Senator Susan Collins to assist with the project. There is no debt for this project currently.

Expenses and Revenues as of April 30, 2024.

According to the Financial Notes for the period ending April 30, 2024, provided by Finance Director Carl Grant, expenses are down 8.5% to budget. Revenues, including Revenue Sharing and Excise Tax, are also down compared to the budget.