



*Communities Working Together to Build Shared  
and Sustainable Prosperity*

# FY23 Budget

## 7/1/2022 – 6/30/2023

First Draft Provided to the Executive Committee on 4/26/22  
Second Draft Provided to the Executive Committee on 5/16/22



May 11, 2022

To: GPCOG Executive Committee  
From: Kristina Egan, Executive Director, GPCOG  
RE: Proposed GPCOG Budget: July 1, 2022 – June 30, 2023

I am pleased to submit the first draft of the proposed GPCOG budget for Fiscal Year 2023 for your review.

The FY23 budget projects the following revenues and expenses:

Total Revenue:	\$5,017,467
Total Expenses:	\$5,017,467

This budget is composed of the following elements:

- FY23 Priorities & Budget Summary
- Detailed Revenue and Expense Comparative Budgets, Graphs and Explanations
- Member Dues Allocation

In recognition of the continued impacts of the COVID-19 pandemic, the Executive Committee recommends a 5% member dues credit for municipal members that pay the \$2 per capita dues rate. The budgeted dues reflect both a population adjustment for each member municipality based on the most recent decennial census and a dues reduction of 5% applied to this new demographic data.

## FY23 & FY24 Priorities

The FY23 budget supports GPCOG's three main strategic priorities: strengthen cities and towns with responsive member services, lead the region toward prosperity, and operate with excellence. This year, the GPCOG Executive Committee adopted priorities for a two-year period: FY23 and FY24. Much of GPCOG's work is defined by existing and anticipated grants and contracts; the below priorities do not include all of GPCOG's portfolio.

### **1. Attract resources to the region.**

- Prioritize transportation projects and work with state and federal partners to fund these priorities.
- Organize regional support for up to three transportation projects for discretionary grant opportunities.
- Serve as the state's implementing partner for economic development, climate mitigation and resilience, housing choice, and broadband investments in the region.
- Ensure rural communities have tools and the support they need to access new funding sources for community priorities.

### **2. Provide value to members.**

- Catalyze regional response to up to two major regional challenges or opportunities.
- Build a resilient network of municipalities with regular gatherings of elected officials, municipal managers, transit managers, public works directors, sustainability professionals, economic development directors, and planners and by resuming subregional meetings as the pandemic subsides.

### **3. Expand transportation and housing choices for our region's people.**

- Monitor and annually report on regional housing production, develop one transit-oriented development plan, and provide technical assistance to improve housing and zoning in as many municipalities as resources permit.
- Develop data and analysis to illustrate the impacts and benefits of smart growth strategies and communicate that information to members.
- Adopt Transit Together recommendations that will measurably improve customer experience and system performance.
- Track transit ridership, analyze industry trends and national best practices, and advance regional initiatives and investments to rebuild ridership in the wake of the pandemic.

**4. Do our region's part in meeting the goals of *Maine Won't Wait*.**

- Establish vehicle miles travelled and emission reduction targets through *Connect 2045* and other regional initiatives and work to align policies and investments.
- Support development and implementation of up to three climate action plans for communities.
- Identify key areas of regional risk to climate hazards and support the development of three priority resilience projects to be developed and designed by members.

**5. Support GPCOG's Diversity Equity and Inclusion working group in its efforts to define agency goals and implement strategies to meet them.**

**6. Identify priorities and implement improvements to GPCOG's internal systems to reduce operational friction, enhance the staff team's wellbeing, and provide information to guide budget and staffing decisions.**

## Budget Summary

The FY23 budget of \$5,017,467 is showing a slight increase to last year’s budget, rising by about \$170,000, or 4%.

<b>FY23 GPCOG Budget Summary</b>	
<b>REVENUES</b>	
	<b>Total</b>
Transportation	\$ 2,939,650
Economic Development	\$ 658,857
Land Use Planning	\$ 62,897
Sustainability	\$ 295,000
Member Services	\$ 662,450
Other Contracts	\$ 60,000
Bank Interest - General	\$ 1,200
Bank Interest - Revolving Loan Funds	\$ 2,213
In-Kind Revenue	\$ 3,750
Projected New Revenues	\$ 331,450
<b>TOTAL REVENUES</b>	<b>\$ 5,017,467</b>
<b>EXPENSES</b>	
Personnel	\$ 3,093,893
Office	\$ 264,580
Consulting Services	\$ 1,420,083
Meetings and Travel	\$ 48,000
Other Direct Expenses	\$ 190,911
<b>TOTAL EXPENSES</b>	<b>\$ 5,017,467</b>
<b>NET INCOME</b>	<b>\$ (0)</b>

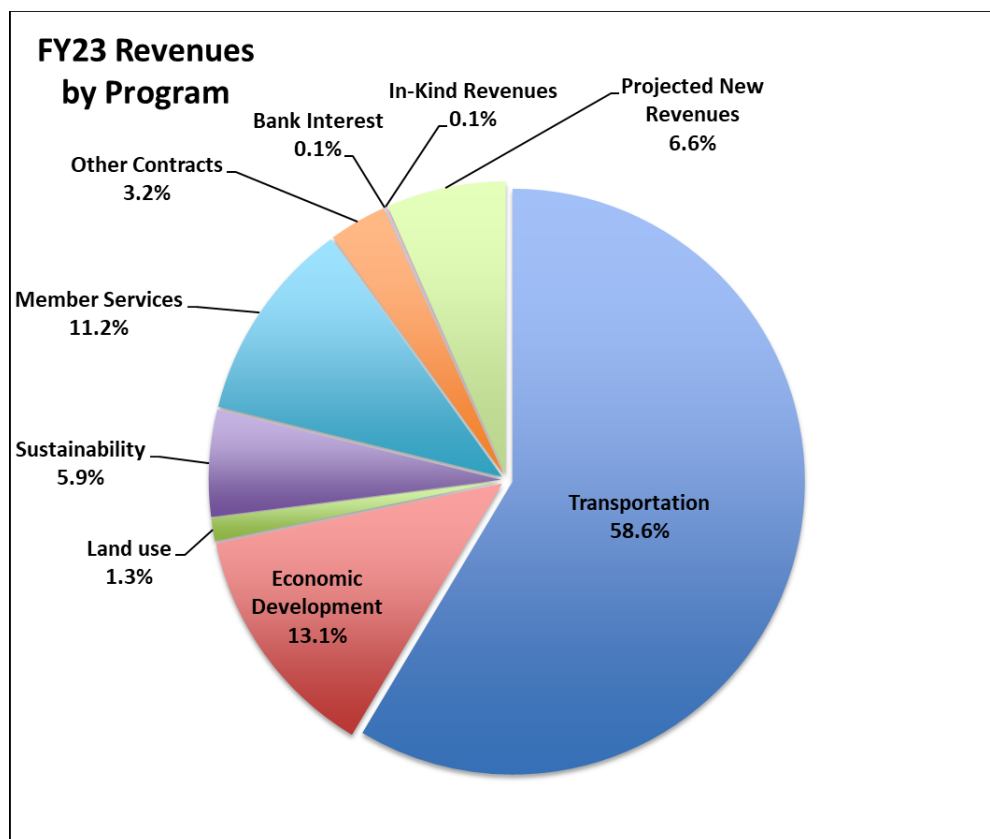
**Table 1:** Summary list of revenue sources for GPCOG’s different fields of work and summary list of major expenses, including personnel, office, and consulting.

Transportation is the largest source of funding, comprising over half of the annual revenues. Transportation remains the single biggest focus of GPCOG’s work, with work expected to expand in the coming five years.

Within transportation, the majority of GPCOG’s work is to execute the Unified Planning Work Program on behalf of PACTS, the region’s Metropolitan Planning Organization (MPO). The new Bipartisan Infrastructure Law expects more transportation work will be required of MPOs around the country, and the projected increase in new transportation and transit revenues are reflected in this budget.

Member services and economic development are the next largest areas of focus for GPCOG. In FY23, the agency will continue to deliver broadband support in the Lakes Region, housing support to the Metro Region Coalition, comprehensive and neighborhood planning for towns, cooperative purchasing savings on a wide variety of products, and more. The agency will have two new Senior Economic Development Managers to support local and regional opportunities to build prosperity for the region’s businesses and residents. GPCOG will also welcome its third class of Resilience Corps Fellows to support members and the region in building community resilience to future stresses and shocks.

Two years ago, GPCOG launched its sustainability program, building on two decades of the clean transportation program, Maine Clean Communities. The program has attracted significant new funding in FY22, enabling GPCOG to work with individual towns on pilots and climate plans. The program will grow again in FY23.



**Figure 1:** Pie chart showing percentages of revenue supporting GPCOG’s different fields of work.

## Detailed Revenues Compared to FY22

REVENUES			
	TOTAL FY 2023	TOTAL FY 2022	DIFFERENCE
<b>Transportation</b>	\$ 2,939,650	\$ 2,516,233	\$ 423,417
U.S. Department of Transportation - Planning Funds	\$ 2,479,152	\$ 2,006,805	\$ 472,347
U.S. Department of Transportation - Capital Projects	\$ 111,805	\$ 223,610	\$ (111,805)
Maine Department of Transportation	\$ 244,326	\$ 168,249	\$ 76,077
Municipal Match	\$ 104,367	\$ 117,569	\$ (13,202)
<b>Economic Development</b>	\$ 658,857	\$ 1,031,198	\$ (372,341)
U.S. Economic Development Administration	\$ 70,000	\$ 330,000	\$ (260,000)
U.S. Environmental Protection Agency	\$ -	\$ 115,000	\$ (115,000)
U.S. Environmental Protection Agency - Loan Funding	\$ -	\$ 175,000	\$ (175,000)
U.S. Department of Agriculture	\$ 20,044	\$ -	\$ 20,044
Corporation for National and Community Service	\$ 312,000	\$ 216,698	\$ 95,302
ConnectMaine Authority	\$ 171,750	\$ -	\$ 171,750
Finance Authority of Maine - Loan Funding	\$ -	\$ 150,000	\$ (150,000)
Revolving Loan Funds - Interest and Fees	\$ 85,063	\$ 44,500	\$ 40,563
<b>Land Use Planning</b>	\$ 62,897	\$ 63,795	\$ (898)
U.S. Department of Agriculture	\$ 30,787	\$ 33,157	\$ (2,370)
Maine Dept. of Agriculture, Conservation and Forestry	\$ 16,602	\$ 15,130	\$ 1,472
Maine Dept. of Transportation	\$ 15,508	\$ 15,508	\$ -
<b>Sustainability</b>	\$ 295,000	\$ 90,000	\$ 205,000
U.S. Department of Energy	\$ 119,000	\$ 90,000	\$ 29,000
National Fish & Wildlife	\$ 137,500	\$ -	\$ 137,500
Governor's Office of Policy and Innovation	\$ 38,500	\$ -	\$ 38,500
<b>Member Services</b>	\$ 662,450	\$ 508,146	\$ 154,304
Member Dues	\$ 532,350	\$ 468,146	\$ 64,204
Joint Purchasing Fees	\$ 30,000	\$ 40,000	\$ (10,000)
Municipal Contracts	\$ 100,100	\$ -	\$ 100,100
<b>Other Contracts</b>	\$ 60,000	\$ 9,000	\$ 51,000
<b>Bank Interest - General</b>	\$ 1,200	\$ 1,800	\$ (600)
<b>Bank Interest - Revolving Loan Funds</b>	\$ 2,213	\$ 1,800	\$ 413
<b>In-Kind Revenue</b>	\$ 3,750	\$ -	\$ 3,750
<b>Projected New Revenues</b>	\$ 331,450	\$ 625,000	\$ (293,550)
<b>TOTAL REVENUES</b>	<b>\$ 5,017,467</b>	<b>\$ 4,846,972</b>	<b>\$ 170,495</b>

**Table 2:** Detailed list of all revenue sources, including grants and contracts with federal and state agencies, member dues, fees, and interest.

### Changes in Revenue

**Transportation.** Budgeted transportation revenues are projected to grow by \$423K, due entirely to an increase in U.S. Department of Transportation planning funds. Most of the increase is from an expected increase in Federal Highway and Federal Transit funding for the 2022-2023 biennial Unified Planning Work Program of approximately \$250K and \$165K, respectively.

The remaining increase is due to up to 15% of funding from the previous Unified Planning Work Program being carried over to complete the long-range plan for the region, Connect 2045. This carryover was allowed by MaineDOT due to delays caused by the pandemic, and specifically the unanticipated staff effort needed to allocate CARES and ARPA transit funds. The decrease in U.S. DOT Capital Funds is due to several projects that were ongoing in FY22 but have either been completed or are being completed in FY23.

**Economic development.** Budgeted economic development revenues show a decrease of approximately \$372K, which is mostly attributed to decreases in U.S. EDA funds after GPCOG has fully expended a pandemic-related two-year grant. U.S. EPA and Finance Authority of Maine revenues also decreased, with an offset in higher funding for the Corporation for National and Community Service and a new grant from the Connect Maine Authority.

- Brownfields. The decrease in U.S. EPA revenues and loan funding are the result of the brownfields funds being fully expended in FY22, notably after a large loan was made for the clean-up of Thompson's Point. Over the past decade, GPCOG's brownfields work has been successful, and the agency has a pending application with EPA to replenish funding to help redevelop old industrial properties.
- Business loans. The decrease in Finance Authority of Maine loan funding is because new loans provided in FY23 will be provided with existing cash on hand rather than drawing down additional funding.
- AmeriCorps. The increase in Corporation for National and Community Service funding is due to an expected increase in the annual grant to increase stipend amounts provided to the Resilience Corps Fellows.
- Broadband. GPCOG continues to provide support to the Maine Broadband Coalition as well as a Lakes Region cohort of municipalities. This work is partially supported by a new multi-year grant from the Connect Maine Authority.

**Sustainability.** Budgeted sustainability revenues show an increase of \$205K due to several new projects, including a new grant from the National Fish and Wildlife Foundation and grants through the Maine Governor's Office of Policy Innovation and the Future. The annual grant to support Maine Clean Communities also increased.

**Member Services.** Member services are projected to increase due to municipal contracts for service and an increase in the total amount of dues. In FY22, and continuing into FY23, GPCOG has been providing enhanced member services, including fee-for-service projects, like developing comprehensive plans. Dues in FY22 were discounted by 10% in FY22. That discount is 5% in FY23, generating an increase in dues revenue. For FY23, the newly available decennial census data is being used to calculate each member's dues, which also contributes to the increase in dues revenue. The dues rate remains unchanged. More detail on the use of member dues is provided later in this document.



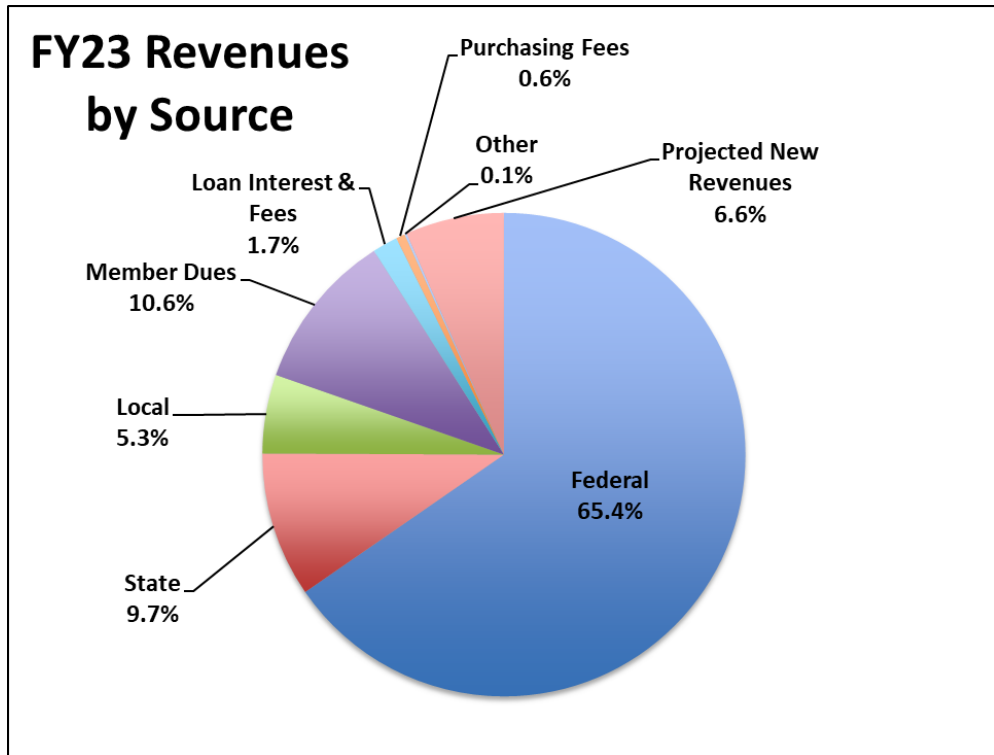


Figure 2: Pie chart showing percentages of sources of revenues, including federal, state, local and more.

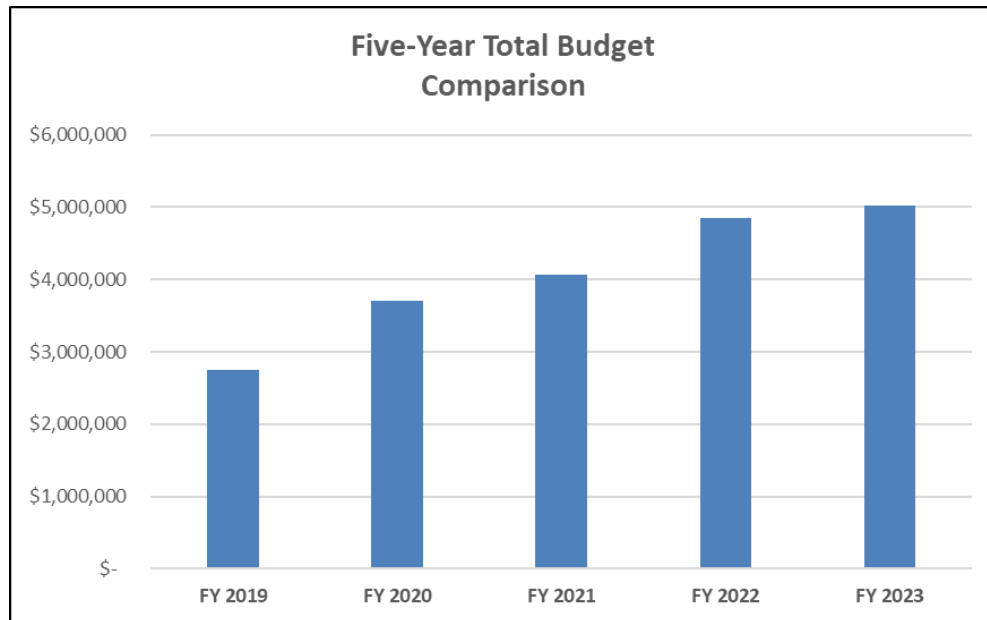


Figure 3: Bar chart showing the total annual budget over the past five fiscal years.

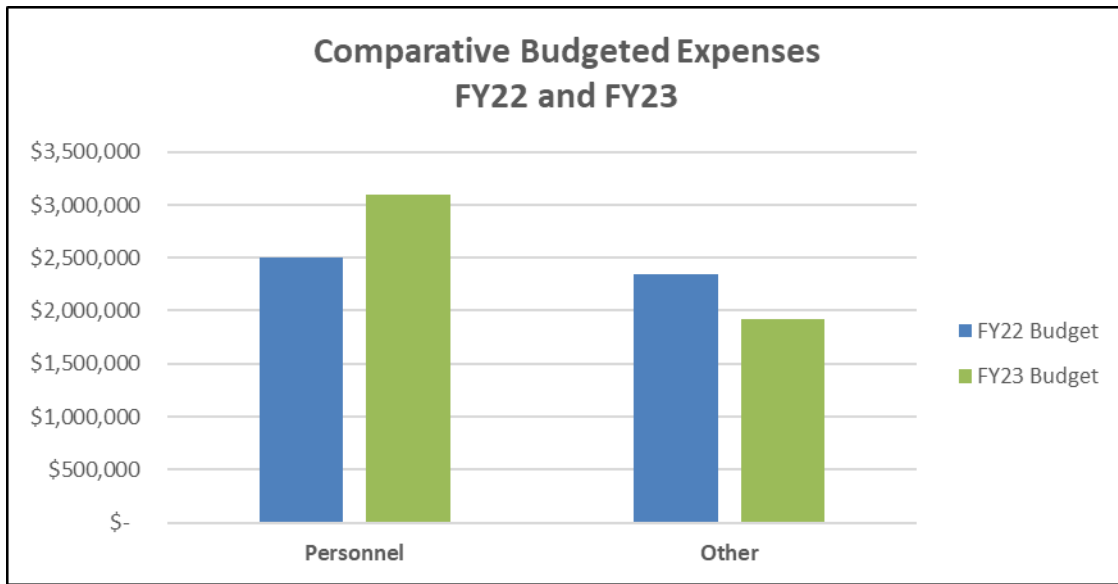
## Detailed Expenses Compared to FY22

<b>EXPENSES</b>				
	<b>TOTAL</b>		<b>TOTAL</b>	
	<b>FY 2023</b>	<b>FY 2022</b>	<b>DIFFERENCE</b>	
<b>Personnel</b>	\$ 3,093,893	\$ 2,505,593	\$ 588,300	
Salaries	\$ 2,573,010	\$ 2,068,574	504,436	
Fringe	\$ 520,883	\$ 437,019	83,864	
<b>Office</b>	\$ 264,580	\$ 230,287	\$ 34,293	
Postage	\$ 1,000	\$ 1,500	(500)	
Utilities	\$ 8,500	\$ 9,500	(1,000)	
Office Supplies	\$ 6,000	\$ 12,000	(6,000)	
Printing & Copying	\$ 10,000	\$ 5,000	5,000	
Rent	\$ 141,270	\$ 143,074	(1,804)	
Cleaning	\$ 2,392	\$ 5,000	(2,608)	
Telecommunications	\$ 8,342	\$ 12,480	(4,138)	
Depreciation	\$ 3,523	\$ 8,680	(5,157)	
Payroll Processing Fee	\$ 3,500	\$ 3,000	500	
Copier Lease	\$ 5,053	\$ 5,053	-	
Equipment & Furniture	\$ 75,000	\$ 25,000	50,000	
<b>Consulting Services</b>	\$ 1,420,083	\$ 1,410,768	\$ 9,315	
Legal	\$ 20,000	\$ 2,000	18,000	
Audit/CPA	\$ 22,500	\$ 22,500	-	
Loan Underwriting	\$ 10,000	\$ 6,700	3,300	
Information Technology	\$ 102,000	\$ 35,000	67,000	
Equipment & Software Maintenance	\$ 20,000	\$ 10,000	10,000	
Software Fees	\$ 91,217	\$ 50,038	41,179	
Website	\$ 14,000	\$ 14,000	-	
Consulting - Engineering	\$ 792,219	\$ 754,710	37,509	
Consulting - Other	\$ 348,147	\$ 515,820	(167,674)	
<b>Meetings and Travel</b>	\$ 48,000	\$ 22,933	\$ 25,067	
Travel - Mileage	\$ 8,000	\$ 4,100	3,900	
Travel - Hotel and Airfare	\$ 5,000	\$ 5,000	-	
Event Costs	\$ 20,000	\$ 4,333	15,667	
Meeting Registration Fees	\$ 5,000	\$ 4,500	500	
Meeting Supplies	\$ 10,000	\$ 5,000	5,000	
<b>Other Direct Expenses</b>	\$ 190,911	\$ 352,391	\$ (161,480)	
Memberships & Dues	\$ 15,000	\$ 10,000	5,000	
Insurance	\$ 18,866	\$ 14,000	4,866	
Employee Screening	\$ 1,600	\$ -	1,600	
Advertising	\$ 24,400	\$ 166,422	(142,022)	
Shredding - Confidential Destruction	\$ 460	\$ 800	(340)	
Interest	\$ -	\$ 121	(121)	
Professional Development	\$ 20,000	\$ 10,000	10,000	
Bank Service Fees	\$ 95	\$ 75	20	
Miscellaneous Expense	\$ 1,500	\$ 300	1,200	
Subscriptions/Publications	\$ 500	\$ 1,500	(1,000)	
Auto Lease	\$ 1,440	\$ 648	792	
Doubtful Accounts - General	\$ -	\$ 3,000	(3,000)	
Doubtful Accounts - RLF Loan Programs	\$ 70,000	\$ 59,525	10,475	
Loan Forgiveness	\$ 8,750	\$ 50,000	(41,250)	
FAME Fee on Loan Funds	\$ 15,800	\$ 16,000	(200)	
In-Kind	\$ 12,500	\$ 20,000	(7,500)	
<b>Pass-through Expenses</b>	\$ -	\$ 325,000	\$ (325,000)	
Brownfields Loans	\$ -	\$ 175,000	(175,000)	
FAME Loans	\$ -	\$ 150,000	(150,000)	
<b>TOTAL EXPENSES</b>	<b>\$ 5,017,467</b>	<b>\$ 4,846,972</b>	<b>\$ 170,495</b>	

**Table 3:** Detailed list of all expenses projected for FY23, compared to expenses budgeted for FY22.

## Changes in Expenses

Overall expenses are budgeted to increase by about \$170,000, but FY23 will see a change from FY22 with higher personnel costs and lower direct and pass-through costs.



**Figure 4:** Comparison of personnel and other expenses between FY22 and FY23.

**Personnel.** Personnel costs are budgeted to increase by about \$588K compared to the FY22 budget. The primary reason for the increase is the budget anticipates adding 5 staff positions, three of which were added in FY22 (Communications Specialist and two Senior Economic Development Managers). The other new positions are Planning Director and Data Coordinator. Secondary reasons for the increase include changes in staff composition, resulting in a \$106K increase, raises and salary adjustments costing \$124K, and an increase in AmeriCorps living stipends, costing \$84K. The FY23 budget includes 32 staff and 14 AmeriCorps fellows whereas the FY22 budget included 27 staff and 14 AmeriCorps Fellows.



Figure 5: FY22 organizational chart as of April 2022. This does not include open positions that are currently vacant.

**Office.** The increase in budgeted office expenses is due entirely to an increase in equipment and furniture as we are working with a firm to redesign the office to fit the number of staff and Fellows and installing technology to allow for hybrid operations.

**Consulting.** Consulting services only increased by \$9K, however, there were large increases in information technology and software fees with a large decrease in other consulting.

- Other Consulting: The decrease budgeted for other consultants of approximately \$348K is due primarily to CARES Act funding for public transportation being fully expended by the end of calendar year 2022.
- Information Technology: The increase in budgeted information technology expenses of \$102K is due to a new contract signed in FY22 for a 3-year period that significantly increased to improve cybersecurity, as well as a planned migration of files to SharePoint.
- Software Fees: The increase in budgeted software fees stems from the purchase of multiple new or upgraded software to increase production, project management, communication, and other capabilities such as HubSpot, Basecamp and GEO for broadband speed testing.

**Other Direct Expenses.** The decrease in other direct expenses, which includes pass-through expenses, primarily is due to the decrease in advertising, loan forgiveness, and Brownfields and FAME loans. The decrease in advertising is due to a communications campaign to rebuild ridership that ended in FY22 and was funded by CARES Act funds from the Federal Transit Administration. The decrease in loan forgiveness is due to GPCOG ending the microloan program in FY22. Finally, the decrease in Brownfields and FAME loans is due to the Brownfields funding being fully loaned out in FY22 and the FAME loans will be provided with existing cash on hand.

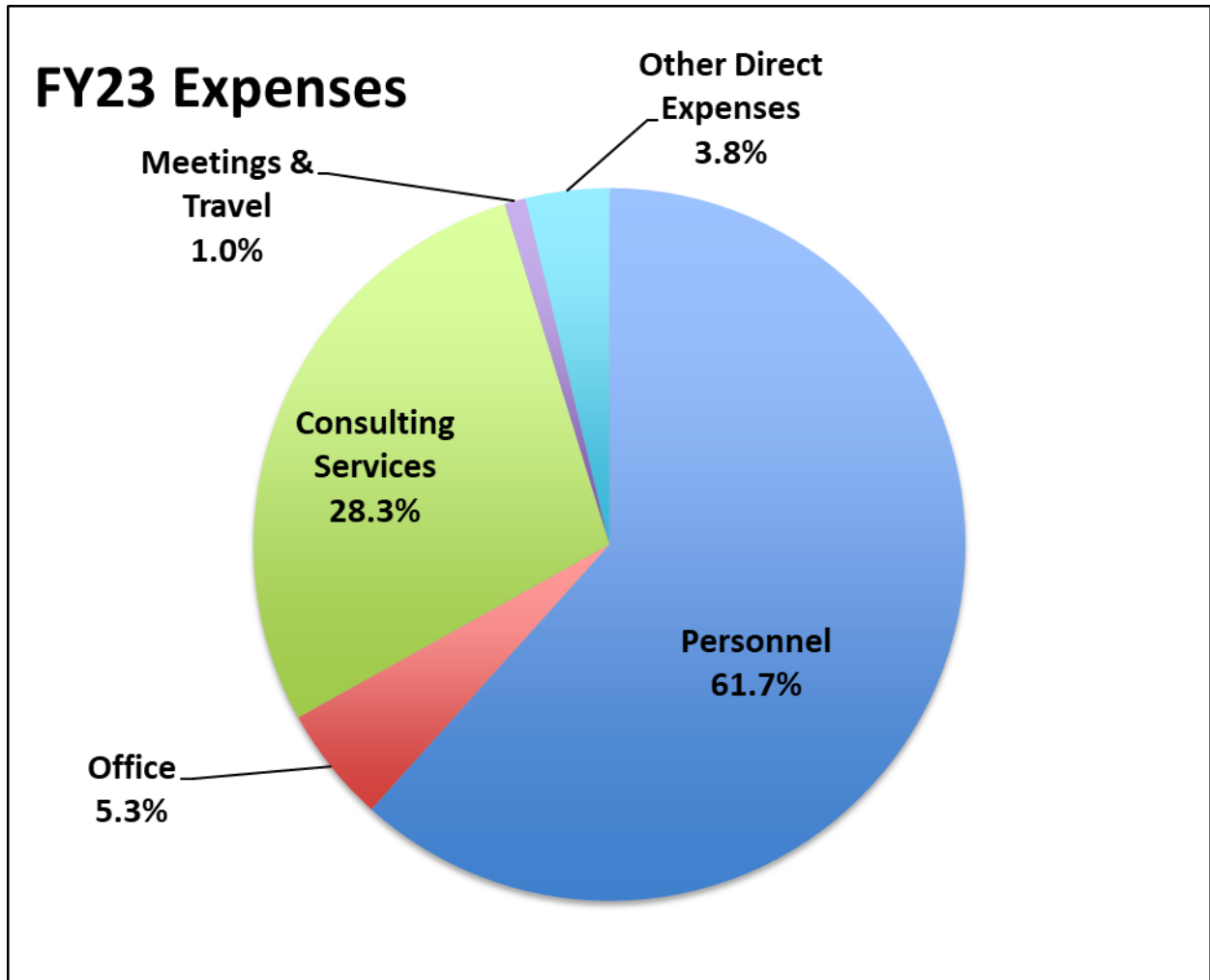


Figure 6: Pie chart showing the major categories of expenditures for FY23.

## Member Dues Allocation

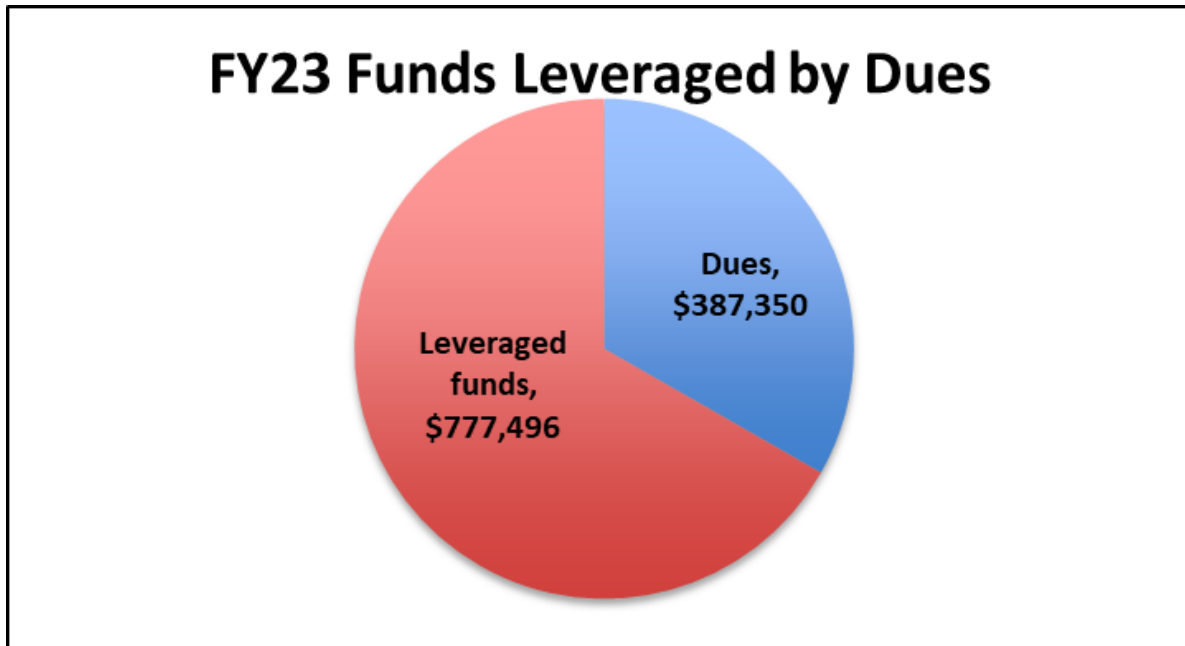
The formula for determining member dues is \$2.00 per capita, based on the most recent decennial census, which was just updated this past year. There are two exceptions: Cumberland County government pays dues of \$10,000 and the island member towns of Chebeague, Long and Frye each pay \$750 per year. For FY23, GPCOG is providing a member credit of 5% to reduce the burden on municipal budgets to ease recovery from the pandemic. In FY22, GPCOG provided a 10% dues credit. In FY21, GPCOG provided a 20% dues credit.

Member dues support direct services to individual cities and towns and groups of municipalities, regional services, and regional peer tables, as well as providing local match for federal grants that support community and regional priorities.

	Dues	Leveraged	Total
<b>Member Services</b>	<b>\$ 145,000</b>	<b>\$ -</b>	<b>\$ 145,000</b>
General Member Services	\$ 50,000	\$ -	\$ 50,000
Sustainability	\$ 20,000	\$ -	\$ 20,000
Housing Choices	\$ 15,000	\$ -	\$ 15,000
Advocacy	\$ 40,000	\$ -	\$ 40,000
Metro Regional Coalition	\$ 20,000	\$ -	\$ 20,000
<b>Match for Regional Work</b>	<b>\$ 387,350</b>	<b>\$ 777,496</b>	<b>\$ 1,164,846</b>
Public Transportation Grants	\$ 76,732	\$ 348,107	\$ 424,839
Economic Development Planning Grant	\$ 70,000	\$ 70,000	\$ 140,000
Economic Development - Brownfields	\$ 5,000	\$ -	\$ 5,000
Economic Development - AmeriCorps	\$ 141,662	\$ 312,000	\$ 453,662
Land Use Planning Grant	\$ 18,956	\$ 47,389	\$ 66,345
Allocated to Future Grants	\$ 75,000	Unknown	\$ 75,000
<b>TOTAL</b>	<b>\$ 532,350</b>	<b>\$ 777,496</b>	<b>\$ 1,309,846</b>

**Table 4:** Detailed list of how FY23 member dues will be used for member services and to match federal grants.

About 73% of the total dues income of \$532,350 will serve as local match for federal and state grants. This match portion of member dues will leverage over approximately \$777K in additional funds for the region. The remaining member dues will support GPCOG's effort to provide direct and regionalized services to our municipalities.



**Figure 7:** Pie chart showing how much dues leverage in federal funds.