



SCARBOROUGH MAINE



FISCAL YEAR 2026

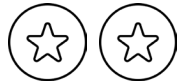
Budget in Brief

About the Budget in Brief

As a steward of taxpayer dollars, the Town of Scarborough, Maine prides itself on providing transparency and public engagement in its budget.

This Budget in Brief was created as a tool to provide an overview summary of the budget process and the high level direction of the proposed budget. It is an effort to distill the full, 400+ page document into an accessible format to learn more about the background before diving deeper into the details. The Town Manager also provides an overview summary and context in his presentation to the Town Council in March.

The Town of Scarborough has taken fiscally responsible actions in recent years that have earned it an upgraded Aa2 bond rating. It also continues to invest in resources and services that maintain its quality.



The Town of Scarborough has an Aa2 Moody's Bond Rating

This recent upgrade reflects the Town's improving financial position and economic base.

FY2026 Budget Takeaways

1. The Town of Scarborough has a budget of **\$89,997,227**, including Municipal, Education, County, Capital, and TIFs.
2. The proposed budget is 5.27% higher than last year, which would equate to approximately a **3.48% property tax rate increase**.
3. The Town and School is seeking to largely fund **existing services and programs** with minimal new investments and positions.
4. The Town's budget is funded by a **combination of sources** including property tax revenue (62%), Excise and Municipal revenues (21%), State-provided funds (10%), and Education revenues (7%).
5. The Town's proposed net budget goes to fund Education (67%), Municipal (26%), County Tax (4%), TIFs and Other (3%).

Budget Process Snapshot

February-March

Departments prepare next year's budgets

The Town Manager works with senior staff to identify staffing and service levels for each department, as well as any capital needs. The result is the Town Manager's budget, presented in late March.

March

Municipal and School budgets presented

April

Finance Committee reviews

May

Council adopts Municipal budget

June

Referendum vote for School budget

The Town Council holds a first reading in April. The Finance Committee then spends the next few weeks reviewing the budget by department. A public hearing with the School occurs in May, followed by the final reading and vote in late May.

Post-Budget Adoption

FY2026 budget effective July 1, 2025

Strategic Budget Priorities

The Town of Scarborough's FY2026 Budget fulfills the community's needs by focusing on these key priorities to ensure that we maintain a high quality of life for residents by offering standard services, retaining natural areas, and investing in the places that set us up for a fiscally responsible future.



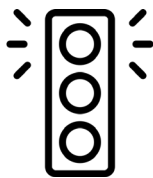
Public Safety

Police, Fire & EMT provide 24/7 services with over 90% community satisfaction (2023 community survey). High recognition for professionalism and community involvement.



Service Delivery

Maintain the high quality service that our community expects for trash/recycling collection, winter road clearing, paving, street sweeping, permitting, Town Hall services, and more.



Infrastructure

Forward-thinking investments that improve the quality and multi-modal functionality of our roads. Additionally, standard upkeep to maintain the longevity of town roads, facilities, etc.



Employee Retention

Maintain reputation as a competitive workplace to attract and retain employees in essential roles.



Good Governance

Meet high standards of transparency, stability, and fiscal responsibility, including a Aa2 bond rating and awards for achievement in financial reporting.



Future Planning

Set Scarborough up for ongoing success in the areas of growth and development, conservation, and fiscal responsibility. See through key studies and next steps.

2026 Capital Improvement Projects

Maintaining Level Services (68%)

\$7.6 million

- Vehicle replacement
- Equipment replacement
- Facilities maintenance (School roof replacements)
- Road paving
- Sidewalk rehabilitation/paving

Total Planned Investment: \$11.15 million

The approach to developing the FY2026 budget was to prioritize the delivery of essential services, while making new investments consistent with our Comprehensive Plan and other recent future planning initiatives. This approach is reflected within our capital investments too, which is largely level services-focused (68%). New investments (32%) strive to continue toward service improvements and future planning.

Service Improvements (23%)

\$2.6 million

- Spurwink Road improvements
- Additional sidewalk machine
- Drainage improvements

Future Planning & Design (9%)

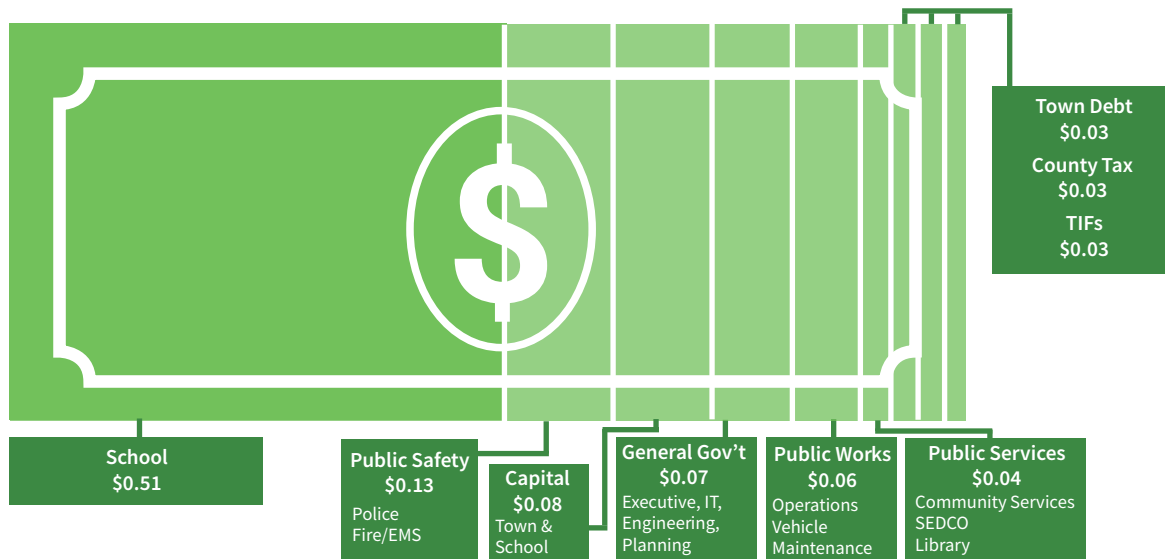
\$950,000

- East Grand Roadway design
- Trails & Sidewalk master plan
- Payne Rd. Resiliency design

Property Tax Revenue

Your Property Tax Dollar

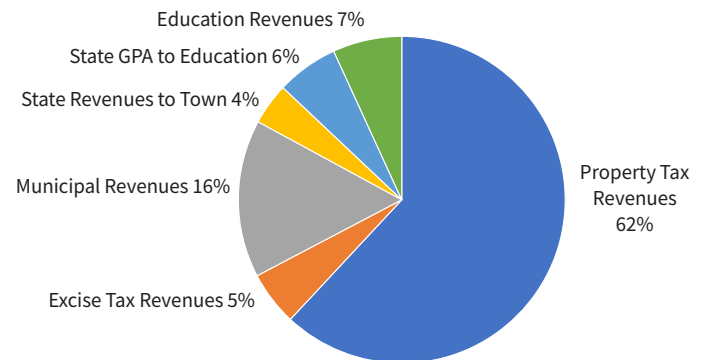
Representation of FY2026 Gross Budget



Sources of Town Revenue

The largest source of General Fund revenue is property tax. While other revenue sources are subject to the condition of national and regional economies, property taxes are a stable revenue source for the Town.

Each year, the Town Council aims to limit the tax rate increase as much as possible in order to keep it stable and in line with inflation.



Non-Property Tax Revenue

The Town of Scarborough collects revenue from a variety of sources to deliver a wide range of services and invest in infrastructure improvements.



Vehicle Excise Tax

Vehicle excise tax is collected by the Revenue division. The FY2024 revenues were nearly \$8 million.



State Revenue Sharing

State funding allocation of tax revenue redistributed to Scarborough (and other Maine municipalities) to minimize the municipal property tax burden.



General Purpose Aid

State funding provided to the School based on a formula to determine the share.



User Fees

The Town generates additional revenue through business licensing, permitting fees, beach passes, and Community Services programming.

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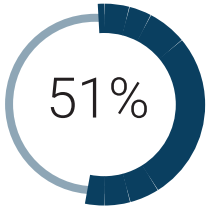
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Where Your Taxes Go (Expenditures)

The General Fund supports daily operations and maintenance that keep Scarborough a safe, clean, and vibrant place to live. The departments with the greatest expenditures are the School, followed by Police and Fire, and Public Works, who keep our sidewalks and roadways safe, clean, and usable.

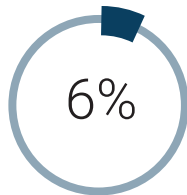
General Fund Expenditure Takeaways



Education



Public Safety



Public Works

The Town's strong financial position has been built through Council and staff actions, demonstrating sound financial administration and planning, indicated by the following:

- Upgrade to a **Aa2 bond rating** as major capital investments are considered
- Policy change to **build the unassigned fund balance**
- Maintaining strong transparency and disclosure through **timely budgets and audited finance statements**

FY2024 SERVICE STATS



Responded to
37,817 Police
calls for service



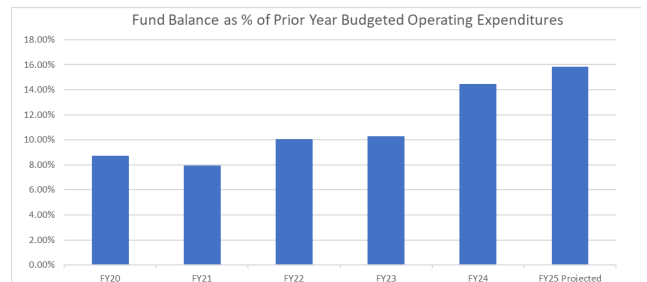
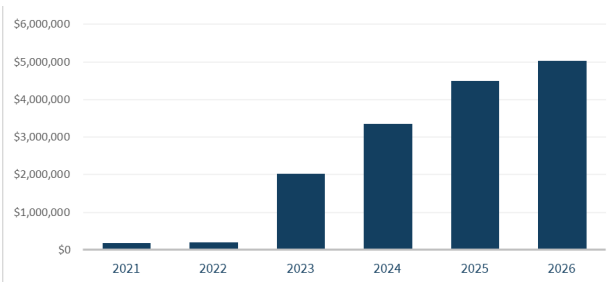
1,481 tons of salt and
3,879 tons of sand
spread by Public Works



6,403 Fire
department calls
for service

Financial Outlook

The Town is in the **strongest financial position** in many years, with a significant increase in available unassigned fund balance and an upgraded credit rating. This strong financial position that the Town has set itself up with is important for the community. It builds trust and confidence in our local government as we plan the budget each year and bring capital projects to referendum.



Increasing TIF Revenues

The Town has been thoughtful with the establishment and expansion of Tax Incrementing Financing (TIF) Districts. TIFs allow the Town to shelter new assessed value created in the district, which is financially beneficial for State revenue sharing purposes. TIF revenues (property taxes paid on the sheltered value within our TIF districts) have been steadily increasing and help offset operational expenses, pay existing debt service, and cover capital expenses that would either need to be bonded (financed) or appropriated.

Declining Debt

Since 2019, the total general obligation debt has declined by nearly 24%. The current debt held is \$78.4 million, down from \$102.7 million in 2019.

Increasing Fund Balance

In late 2024, the Town Council amended the Financial and Fiscal Policy to raise the minimum fund balance to 10% of the prior year's budgeted operating expenses. Unassigned fund balance is the amount of the budget left unallocated toward specific expenditures in the year ahead. At the end of FY2024, the Town's unassigned fund balance increased to \$15,902,211. This is up almost \$5 million from 2022, and 14.46% of the prior year's budgeted operating expenses. The Town has a goal to get this to exceed 16.67%.

Upgraded Bond Rating

In February 2025 the Town of Scarborough received an upgraded bond rating from Moody's credit rating. The rating increased from Aa3 to Aa2.

SCARBOROUGH AT A GLANCE

Incorporated in

1658

70
Square
miles

Population 
24,000+ 

OVER
223,000
Annual Visitors

18,000+ Jobs

Maine Department of Labor

With **22%** of jobs in
healthcare

8 Miles of coastline

And 4 beaches: Higgins, Ferry, Pine Point, and Scarborough Beach State Park

\$7.57 billion

Total property valuation, the 3rd highest in the State of Maine

6th Largest

Community in Maine



School

2,900 students enrolled in K-12

Library

117,300 visits and
177,500 items borrowed



Public Works

Maintains 350 lane-miles of streets



12 Parks, Trails
& Sports
Complexes

Maintained by the Town
for the public and schools

**Public
Safety**



30,628 Calls for service to
the Police Department

2,292 Fire calls for service

3,447 EMS calls for service

VISION & STRATEGIES

Community Vision

The Community Vision includes five vision statements, strategies, guiding principles and a land use strategy, all outlined in our 2021 Comprehensive Plan. Together these chart the way forward for Scarborough. These principles were generated during the update of the Comprehensive Plan public engagement process and are meant to set priorities and inform the policy and investment decisions of local leaders.

The vision of the Comprehensive Plan is for the Town of Scarborough to **preserve its identity, while targeting development in a way that provides economic opportunities, protects the natural environment and improves the high quality of life of all residents.**

The Plan focuses on sustainable development – measured by environmental stewardship, economic prosperity, and an equitable distribution of community resources— that reflects the community's unique characteristics and local values. To achieve this, **the Plan is guided by these vision statements:**

- 1. The Scarborough Marsh is central to the Town's identity**, creating a special awareness by our residents of the importance of all of the Town's natural resources. Future land use will follow a pattern of development that is sensitive to protecting our beaches, dunes, rivers, open spaces, farmlands, and other elements that comprise our unique ecosystem.
- 2. Future land use patterns will create opportunities** for the efficient delivery of municipal services and infrastructure, resulting in fiscal sustainability.
- 3. Our ordinances will support the diversity and characteristics** of existing and emerging neighborhoods, centers and open spaces.
- 4. Scarborough's economy will support a broad assortment of businesses** that provides stability for the tax base, respects natural resources, and supports opportunities for residents.
- 5. Scarborough's transportation network will support current and future land uses** that create efficiencies which reduce the impact of traffic on residents and businesses.

Guiding Principles

- Bold
- Welcoming
- Stewardship
- Authentic
- Healthy
- Vibrant
- Connected
- Fiscally Sustainable
- Engaged

Community Survey Results

The Town of Scarborough conducted a community survey in the Fall of 2023. A total of 608 residents completed the survey, resulting in a precision of +/-4.0% at the 95% level of confidence.

87%
Feel safe in
Scarborough



Nearly 4 in 5
Are satisfied with
their quality of life in
Scarborough



89%
Satisfied with
customer service
from Town employees



93%
Satisfied with public
safety services