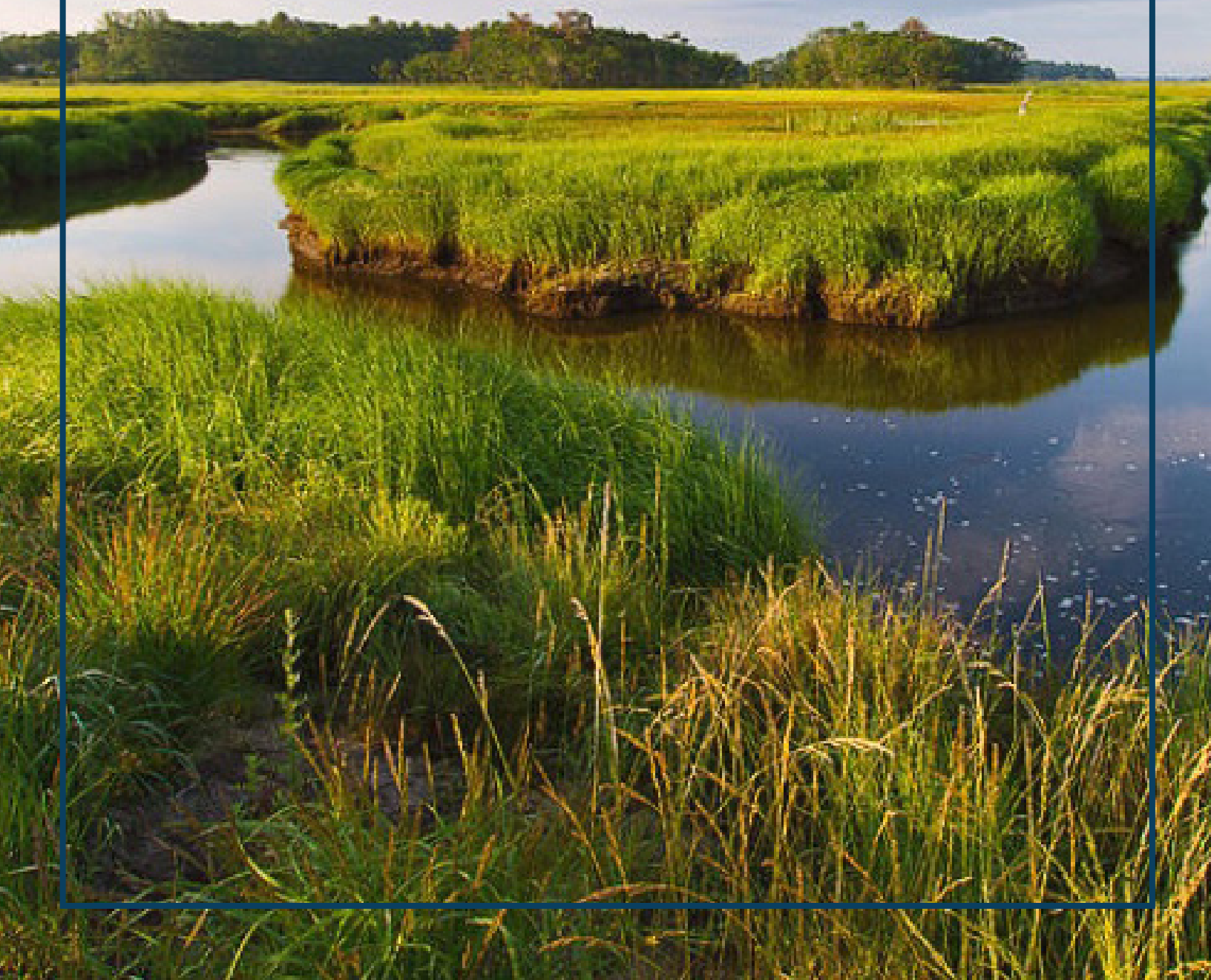


TOWN OF
SCARBOROUGH, MAINE

BUDGET IN BRIEF

FISCAL YEAR 2027



FY2027 Budget Overview

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

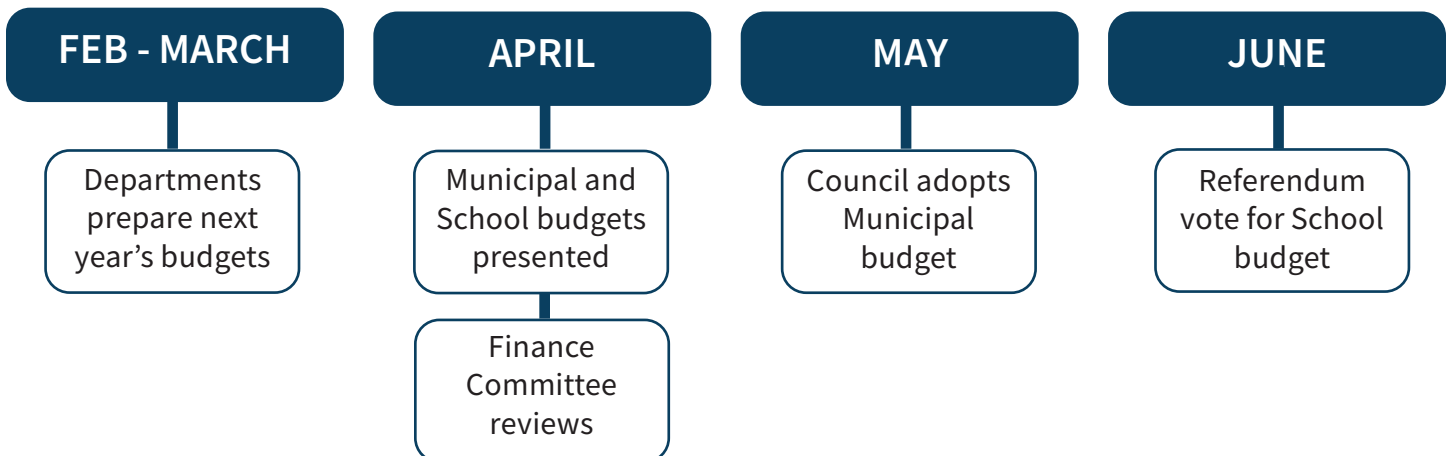
This Budget in Brief was created as a tool to provide an overview summary of the budget process and the high level direction of the proposed budget. It is an effort to distill the full, 400+ page document into an accessible format to learn more about the background before diving deeper into the details.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

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.



Budget Development

The development of the Fiscal Year 2027 budget is guided by the Town Council’s strategic goals for the year. The Town Manager works closely with each department to prepare an informed budget that provides the quality municipal services that our community expects, as well as any additional investments to support the vision of the Town Council. The Town Council Finance Committee reviews the budget as initially presented and meets with each department to learn more about the needs and decisions. A recommended budget is then presented to the full Town Council for further review and discussion. All reviews, readings, and public hearings are part of a public process and community engagement is encouraged. The Town Council adopts the budget in May for the new fiscal year, which starts on July 1.



FINANCIAL RECOGNITION

Certificate of Achievement in Financial Reporting

Received from the Government Finance Officers Association for the 20th consecutive year for the Town’s Annual Comprehensive Financial Report.

Upgraded Bond Rating

In 2025 the Town of Scarborough upgraded to an Aa2 Moody’s bond rating, reflecting the Town’s improving financial position and economic base.

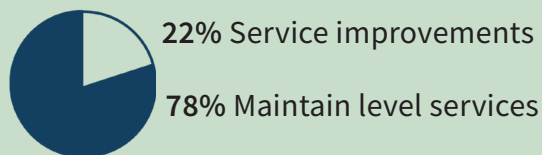
Key Budget Takeaways

FY2027

1. The Town of Scarborough has a net budget of **\$97,367,436**, including Municipal, Education, County, and Capital.
2. The proposed budget is 7.83% higher than last year, which would equate to approximately a **5.97% 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 (57%), Excise and Municipal revenues (31%), State-provided funds (8%), and Education revenues (4%).
5. The Town's proposed net budget goes to fund Education (67%), Municipal (26%), County Tax (3%), TIFs and Other (3%).

Capital Improvement Projects

Capital Improvement Projects (CIPs) are investments in areas like maintenance, equipment, infrastructure. They are necessary in order to maintain level services, as well as offer service improvements. The CIP budget mirrors the overall FY27 budget's focus on prioritizing the delivery of quality essential services.



Total Proposed Investment: \$26.2 million

The CIP budget includes 3 significant investments:

- East Grand Avenue Complete Streets Project (\$4.1M)
- Scottow Hill Road Culvert Replacement (\$3.7M)
- Town-wide Radio Infrastructure Upgrade (\$9.4M)

Strategic Budget Priorities

The Town of Scarborough's FY2027 Budget fulfills the community's needs by focusing on these key priorities. It aims to ensure we maintain a high quality of life for residents by offering standard services and responsibly investing in areas in need of upgrades.



Ensure 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.



Staffing Stability

Take a measured approach to personnel expenses, focusing on sustaining recent investments and key service-oriented additions.



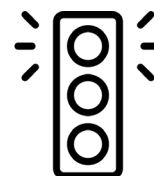
Strategic Revenue Use

Offset operational expenses, pay existing debt service, and cover capital expenses with the use of revenues from Tax Increment Finance (TIF) districts. (Revenues are the property taxes paid on new value).



Public Safety

Ensure Police, Fire & EMT are properly equipped to provide quality 24/7 services to the community, and maintain their over 90% satisfaction rating (2025 community survey).



Infrastructure Maintenance

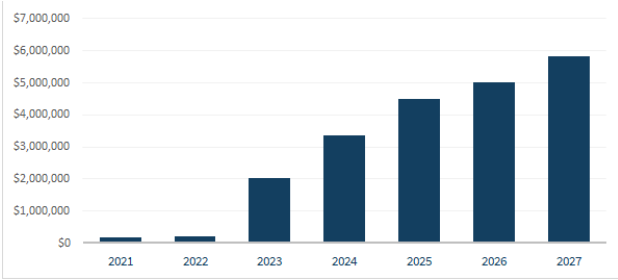
Make responsible investments that are necessary for standard upkeep to maintain the longevity of town roads, facilities, and technology. Also, address major items deserving of attention due to public impact.



Good Governance

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

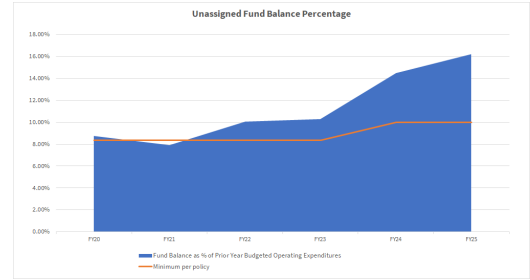
Financial Standing



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.

Reaffirmed Bond Ratings (at Investment Grade)



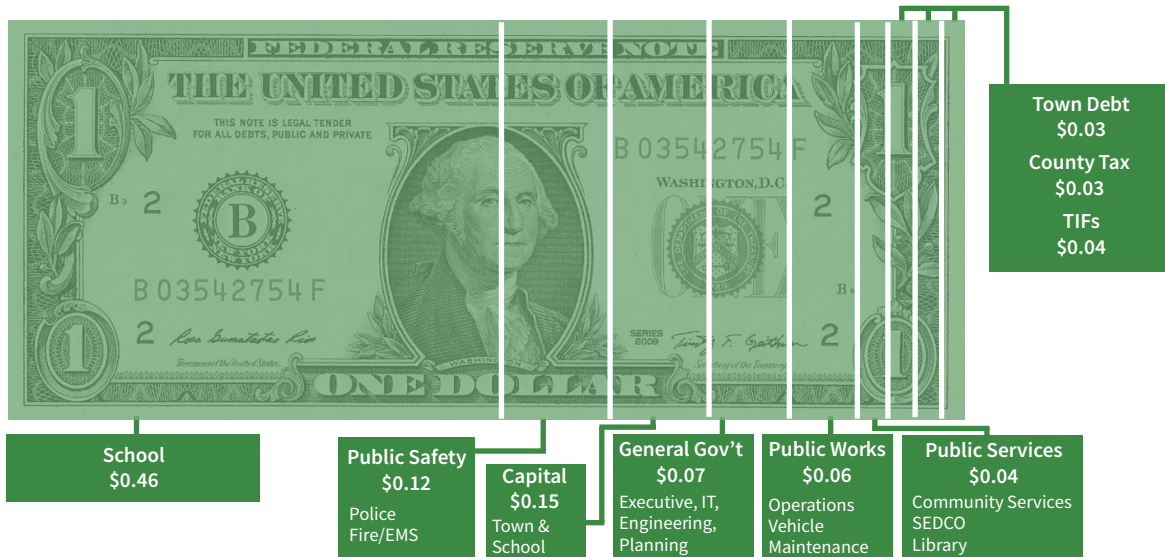
Increasing Fund Balance

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 FY2025, the Town's unassigned fund balance increased to \$18,818,073. This is up almost \$3 million from 2024 and \$8 million from 2022. This amount is equal to 16.9% of the prior year's budgeted operating expenses.

Gross Budget: Total Cost to Operate

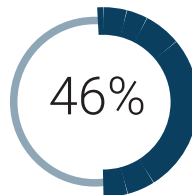
FY2027 Gross Budget By Area of Expenditure

Representation of FY2027 Gross Budget

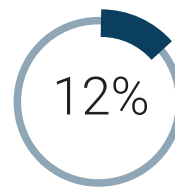


Largest Areas of Expenditure

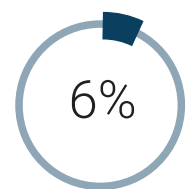
The budget supports daily operations and maintenance that keep Scarborough a safe, clean, and vibrant place to live. The departments with the greatest expenditures are the School, followed by Police and Fire, and Public Works.



Education



Public Safety



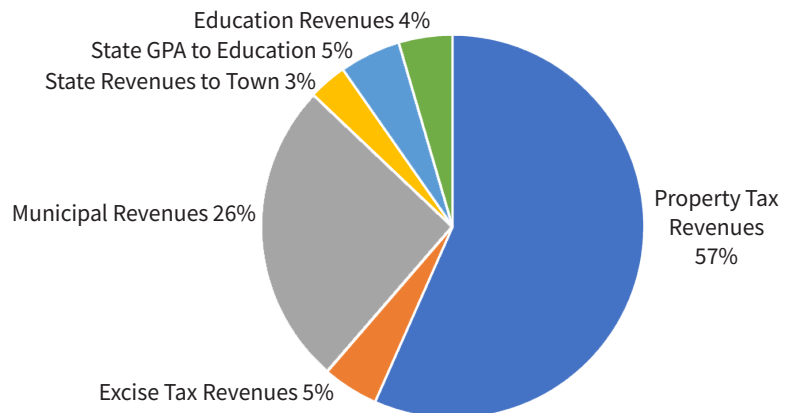
Public Works

How the Gross Budget is Funded

Sources of Revenue


The municipal budget is funded through a combination of revenues, the largest of which is property tax (57%). Non-property tax revenues make up the other 43%. While non-property tax sources are subject to other factors, 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 FY2025 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.



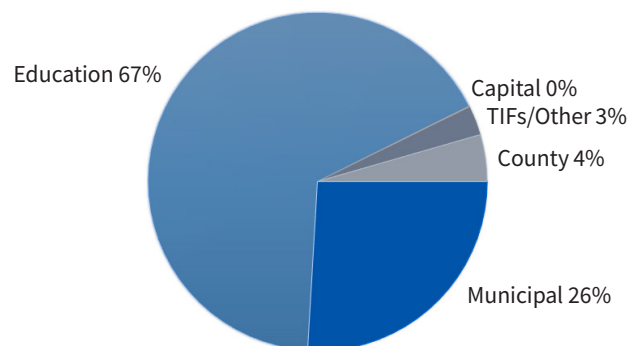
User Fees
The Town generates additional revenue through business licensing, permitting fees, beach passes, and Community Services programming.

Net Budget: Where Your Taxes Go

Net Budget = Gross Budget – Non-Property Tax Revenue

The net budget is the gross budget, less non-property tax revenues. This is the amount we need to raise through property taxes.

As presented, the FY2027 budget is a 7.83% increase over the approved FY26 budget, which would equate to a projected 5.97% tax rate increase. The tax rate increase is lower than the net budget increase because of residential and commercial growth, which broadens the tax base. The increase amount would otherwise be the same as the net budget increase.



Tax Dollars at Work: Key FY2026 Service Stats



Responded to
24,824 Police calls for service



1,766 tons of salt and
3,809 tons of sand spread by Public Works



5,342 Fire department calls for service

Scarborough at a Glance

Incorporated in

1658

Population 
24,500

6th Largest
Community in Maine

OVER 223,000 Annual Visitors

\$7.92 billion

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

18,700+ Jobs

Maine Department of Labor

With **22%** of jobs in
healthcare

70 Square miles

8 Miles of coastline

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

Library

109,677 visits and
188,785 items borrowed



Public Works

Maintains 350 lane-miles of streets



12 Parks, Trails
& Sports
Complexes

Maintained by the Town
for the public and schools



School

2,832 students
enrolled in K-12

Public Safety



24,824 Calls for service to
the Police Department

16,058 911 calls answered

5,342 Fire calls for service

Community 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 Fall 2025. A total of 624 residents completed the survey, resulting in a precision of +/-4.0% at the 95% level of confidence.

88%

Feel safe in Scarborough



Nearly 3 in 4

Are satisfied with their quality of life in Scarborough



91%

Satisfied with customer service from Town employees



93%

Satisfied with public safety services