

MEMO

Date: May 20, 2020

To: Matthew Strugis, Town Manager

From: John Quartararo, Finance Director



Re: Alternative scenarios for FY 2021 budget

CC: Debra Lane, Town Clerk

At the May 18, 2020 public hearing and Council discussion on the FY 2021 budget Councilor Straw requested information about three possible scenarios. Those scenarios are Option 1 – Zero Tax Rate Increase, Option 2 – Removal of the Turf Field CIP Project, and Option 3 Zero Tax Rate Increase and Removal of the Turf Field Project. Included with this memo are a two-page worksheet and a revised proforma for each option. The worksheet compares the proposed budget to each of the three options. The budget changes are blocked and highlighted in yellow. Below is suggested language for amending the proposed order for the original budget.

Option #1 – Zero Tax Rate Increase: “Amend the order increasing the Use of Fund Balance to \$2,332,834, Non-Property Tax revenues to \$10,295,926 and Real Estate Taxes to \$6,506,868”. There is no change in the amounts of the total revenues or expenditures, both which remain at \$16,802,794.

Option #2 – Remove Turf Field CIP Project: “Amend the order decreasing Borrowed Funds to \$710,000, decreasing Interfund Transfer revenues to \$356,352 and Real Estate Taxes to \$6,755,582; and, decreasing both Debt Service to \$1,531,315 and CIP Projects to \$1,758,800. The total expenditure budget is decreased to \$16,137,774”.

If adopted, a companion action for the Special Revenue Funds budget is needed, “Amend the order decreasing Turf Field Fund expenditure to zero, and the total expenditure budget to \$3,541,532”.

Option #3 – Zero Tax Rate Increase and Remove of Turf Field CIP Project: “Amend the order decreasing Borrowed Funds to \$710,000, decreasing Interfund Transfer revenues to \$356,352 increasing the Use of Fund Balance to \$2,261,569, decreasing Non-Property Tax revenues to \$9,624,661 and decreasing Real

Estate Taxes to \$6,513,113. Further, decreasing both Debt Service to \$1,531,315 and CIP Projects to \$1,758,800. The total expenditure budget is decreased to \$16,137,774”.

If adopted, a companion action for the Special Revenue Funds budget is needed, “Amend the order decreasing Turf Field Fund expenditure to zero, and the total expenditure budget to \$3,541,532”.

TOWN OF CAPE ELIZABETH
FY 2021 PROPOSED BUDGET AND 3 ALTERNATIVE OPTIONS
5/20/2020

	Proposed Budget FY2021	Option 1 - Zero Tax Rate	Option 2 - Remove Turf Field	Option 3 - No Turf and Zero Tax
GENERAL FUND REVENUES BY SOURCE				
LOCAL FEES AND CHARGES FOR SERVICE	2,715,740	2,715,740	2,715,740	2,715,740
BORROWED FUNDS	1,035,100	1,035,100	710,000	710,000
INVESTMENT INCOME	50,000	50,000	50,000	50,000
EXCISE TAXES	2,116,100	2,116,100	2,116,100	2,116,100
FEDERAL REVENUES	100	100	100	100
STATE REVENUES	1,414,800	1,414,800	1,414,800	1,414,800
INTERFUND TRANSFERS IN	631,252	631,252	356,352	356,352
USE OF FUND BALANCE	2,019,100	2,332,834	2,019,100	2,261,569
SUBTOTAL NON-PROPERTY TAX REVENUES	9,982,192	10,295,926	9,382,192	9,624,661
REAL ESTATE TAXES (net of overlay & county)	6,820,602	6,506,868	6,755,582	6,513,113
TOTAL REVENUES AND PROPERTY TAXES	16,802,794	16,802,794	16,137,774	16,137,774

GENERAL FUND EXPENDITURES BY DEPARTMENT

110	ADMINISTRATION	826,385	826,385	826,385	826,385
120	ACP	421,576	421,576	421,576	421,576
130	TOWN COUNCIL	500	500	500	500
135	LEGAL & AUDIT	115,000	115,000	115,000	115,000
140	ELECTIONS	77,180	77,180	77,180	77,180
150	BOARDS AND COMMISSIONS	21,006	21,006	21,006	21,006
160	INSURANCE	128,000	128,000	128,000	128,000
170	EMPLOYEE BENEFITS	1,654,000	1,654,000	1,654,000	1,654,000
180	DEBT SERVICE	1,596,335	1,596,335	1,531,315	1,531,315
210	POLICE DEPARTMENT	1,576,686	1,576,686	1,576,686	1,576,686
215	ANIMAL CONTROL	26,718	26,718	26,718	26,718
220	PUBLIC SAFETY COMMUNICATIONS	213,188	213,188	213,188	213,188
225	WETeam	28,565	28,565	28,565	28,565
230	FIRE DEPARTMENT	667,978	667,978	667,978	667,978
231	RESCUE (FORMERLY RESCUE FUND - 0735)	642,117	642,117	642,117	642,117
235	FIRE POLICE UNIT	12,115	12,115	12,115	12,115
240	MISC PUBLIC PROTECTION	173,449	173,449	173,449	173,449
250	EMERGENCY PREPAREDNESS	6,952	6,952	6,952	6,952
310	PUBLIC WORKS	1,421,320	1,421,320	1,421,320	1,421,320
320	REFUSE DISPOSAL	625,205	625,205	625,205	625,205
410	HUMAN SERVICES	137,200	137,200	137,200	137,200
510	LIBRARY	558,948	558,948	558,948	558,948
520	CONTRIBUTIONS	105,500	105,500	105,500	105,500
530	PUBLIC INFORMATION	72,293	72,293	72,293	72,293
600	FACILITIES MANAGEMENT	315,869	315,869	315,869	315,869
610	TOWN HALL	22,000	22,000	22,000	22,000
615	LIBRARY BUILDING	44,664	44,664	44,664	44,664
620	TOWN CENTER FIRE STATION	22,960	22,960	22,960	22,960
621	COMMUNITY CENTER BUILDING	130,751	130,751	130,751	130,751
622	RICHARDS POOL BUILDING	252,203	252,203	252,203	252,203
630	POLICE STATION	67,462	67,462	67,462	67,462
631	CAPE COTTAGE FIRE STATION	6,735	6,735	6,735	6,735
633	COMMUNITY SERVICES ADMINISTRATION	304,671	304,671	304,671	304,671

TOWN OF CAPE ELIZABETH
FY 2021 PROPOSED BUDGET AND 3 ALTERNATIVE OPTIONS
5/20/2020

	Proposed Budget FY2021	Option 1 - Zero Tax Rate	Option 2 - Remove Turf Field	Option 3 - No Turf and Zero Tax
634 FITNESS CENTER	65,232	65,232	65,232	65,232
635 RICHARDS POOL PROGRAMS	285,923	285,923	285,923	285,923
636 COMMUNITY SVCS ADULT PROGRAMS	111,856	111,856	111,856	111,856
637 COMMUNITY SVCS YOUTH PROGRAMS	502,675	502,675	502,675	502,675
638 CAPE CARE	156,743	156,743	156,743	156,743
640 PARKS AND TOWN LANDS	128,753	128,753	128,753	128,753
641 SCHOOL GROUNDS & ATHLETIC FIELDS	178,155	178,155	178,155	178,155
645 FORT WILLIAMS PARK	348,772	348,772	348,772	348,772
660 TREES	31,688	31,688	31,688	31,688
709 INTERFUND TRANSFERS	326,457	326,457	326,457	326,457
710 INTERGOVERNMENTAL ASSESSMENTS	32,209	32,209	32,209	32,209
OPERATING BUDGET	14,443,994	14,443,994	14,378,974	14,378,974
715 CAPITAL IMPROVEMENT PROJECTS	2,358,800	2,358,800	1,758,800	1,758,800
TOTAL OPERATING & CIP BUDGET	16,802,794	16,802,794	16,137,774	16,137,774

SPECIAL REVENUE FUNDS

REVENUE BUDGETS

CAPE ELIZABETH RESCUE FUND	300,000	300,000	300,000	300,000
CAPE ELIZABETH SEWER FUND	2,249,406	2,249,406	2,249,406	2,249,406
SPURWINK CHURCH FUND	10,491	10,491	10,491	10,491
RIVERSIDE CEMETERY FUND	84,000	84,000	84,000	84,000
FORT WILLIAMS PARK CIP FUND	419,000	419,000	419,000	419,000
PORTLAND HEAD LIGHT FUND	703,851	703,851	703,851	703,851
THOMAS JORDAN FUND	106,000	106,000	106,000	106,000
INFRASTRUCTURE IMPROVEMENT FUND	55,000	55,000	55,000	55,000
TURF FIELD FUND	20,000	20,000	20,000	20,000
LANDACQUISITION FUND	32,914	32,914	32,914	32,914
TAX INCREMENT FINANCING FUND	69,533	69,533	69,533	69,533
TOTAL REVENUE BUDGETS	4,050,195	4,050,195	4,050,195	4,050,195

EXPENDITURE BUDGETS

CAPE ELIZABETH RESCUE FUND	-	-	-	-
CAPE ELIZABETH SEWER FUND	2,249,406	2,249,406	2,249,406	2,249,406
SPURWINK CHURCH FUND	10,491	10,491	10,491	10,491
RIVERSIDE CEMETERY FUND	52,784	52,784	52,784	52,784
FORT WILLIAMS PARK CIP FUND	419,000	419,000	419,000	419,000
PORTLAND HEAD LIGHT FUND	703,851	703,851	703,851	703,851
THOMAS JORDAN FUND	106,000	106,000	106,000	106,000
INFRASTRUCTURE IMPROVEMENT FUND	-	-	-	-
TURF FIELD FUND	274,915	274,915	-	-
LANDACQUISITION FUND	-	-	-	-
TAX INCREMENT FINANCING FUND	-	-	-	-
TOTAL EXPENDITURE BUDGETS	3,816,447	3,816,447	3,541,532	3,541,532

Fiscal Year 2021
General Fund Budget Summary - Proforma - Zero Tax Rate Increase
5/20/2020

	FY 2020	FY 2021	\$ Change	% Change
	BUDGET	BUDGET	FY 20 to FY 21	FY 20 to FY 21
	<i>INCLUDES CARRY FORWARD AND SUPPLEMENTAL APPROPRIATIONS</i>			
EXPENDITURES				
MUNICIPAL	\$ 17,976,474	\$ 16,802,794	\$ (1,173,680)	-6.53%
SCHOOL DEPARTMENT	26,890,420	28,490,012	1,599,592	5.95%
OVERLAY	401,607	-	(401,607)	-100.00%
TIF DISTRICT	69,533	-	(69,533)	-100.00%
COUNTY ASSESSMENT	1,456,670	1,518,473	61,803	4.24%
TOTAL EXPENDITURES	\$ 46,794,704	\$ 46,811,279	\$ 16,575	0.04%
REVENUE				
MUNICIPAL	\$ 10,989,872	\$ 10,295,926	\$ (693,946)	-6.31%
SCHOOL DEPARTMENT	1,798,487	2,218,949	420,462	23.38%
TOTAL REVENUES	\$ 12,788,359	\$ 12,514,875	\$ (273,484)	-2.14%
NET TO TAXES				
MUNICIPAL	\$ 6,986,602	\$ 6,506,868	\$ (479,734)	-6.87%
SCHOOL DEPARTMENT	25,091,933	26,271,063	1,179,130	4.70%
OVERLAY	401,607	-	(401,607)	-100.00%
TIF DISTRICT	69,533	-	(69,533)	-100.00%
COUNTY ASSESSMENT	1,456,670	1,518,473	61,803	4.24%
TOTAL TAXES TO BE RAISED	\$ 34,006,345	\$ 34,296,404	\$ 290,059	0.85%
TAX RATES (Rounded to nearest ¢)				
MUNICIPAL	\$ 4.05	\$ 3.73	\$ (0.32)	-7.90%
SCHOOL DEPARTMENT	14.52	15.07	0.55	3.79%
OVERLAY	0.23	-	(0.23)	-100.00%
TIF DISTRICT	0.04	-	(0.04)	-100.00%
COUNTY ASSESSMENT	0.84	0.87	0.03	3.57%
TOTAL TAX RATE	\$ 19.68	19.68	(0.00)	-0.01%
TAX RATE VALUATION BASIS	\$ 1,727,964,676	\$ 1,742,964,676	\$ 15,000,000.00	0.87%
1 CENT MILL RATE	0.0500%	\$ 0.01		
TAXES PRODUCED		\$ 17,429.65		313,733.64
FY 2020 TAX RATE	\$ 19.6800			
1% INCREASE TAX RATE	\$ 0.1968			
ADDITIONAL TAXES AT 1%		\$ 343,015.45		

**Fiscal Year 2021
General Fund Budget Summary - Proforma - Without Turf Field
5/20/2020**

	FY 2020	FY 2021	\$ Change	% Change
	BUDGET	BUDGET	FY 20 to FY 21	FY 20 to FY 21
	<i>INCLUDES CARRY FORWARD AND SUPPLEMENTAL APPROPRIATIONS</i>			
EXPENDITURES				
MUNICIPAL	\$ 17,976,474	\$ 16,137,774	\$ (1,838,700)	-10.23%
SCHOOL DEPARTMENT	26,890,420	28,490,012	1,599,592	5.95%
OVERLAY	401,607	-	(401,607)	-100.00%
TIF DISTRICT	69,533	-	(69,533)	-100.00%
COUNTY ASSESSMENT	1,456,670	1,518,473	61,803	4.24%
TOTAL EXPENDITURES	\$ 46,794,704	\$ 46,146,259	\$ (648,445)	-1.39%
REVENUE				
MUNICIPAL	\$ 10,989,872	\$ 9,382,192	\$ (1,607,680)	-14.63%
SCHOOL DEPARTMENT	1,798,487	2,218,949	420,462	23.38%
TOTAL REVENUES	\$ 12,788,359	\$ 11,601,141	\$ (1,187,218)	-9.28%
NET TO TAXES				
MUNICIPAL	\$ 6,986,602	\$ 6,755,582	\$ (231,020)	-3.31%
SCHOOL DEPARTMENT	25,091,933	26,271,063	1,179,130	4.70%
OVERLAY	401,607	-	(401,607)	-100.00%
TIF DISTRICT	69,533	-	(69,533)	-100.00%
COUNTY ASSESSMENT	1,456,670	1,518,473	61,803	4.24%
TOTAL TAXES TO BE RAISED	\$ 34,006,345	\$ 34,545,118	\$ 538,773	1.58%
TAX RATES (Rounded to nearest ¢)				
MUNICIPAL	\$ 4.05	\$ 3.88	\$ (0.17)	-4.20%
SCHOOL DEPARTMENT	14.52	15.07	0.55	3.79%
OVERLAY	0.23	-	(0.23)	-100.00%
TIF DISTRICT	0.04	-	(0.04)	-100.00%
COUNTY ASSESSMENT	0.84	0.87	0.03	3.57%
TOTAL TAX RATE	\$ 19.68	19.82	0.14	0.71%
TAX RATE VALUATION BASIS	\$ 1,727,964,676	\$ 1,742,964,676	\$ 15,000,000.00	0.87%
1 CENT MILL RATE	0.0500%	\$ 0.01		
TAXES PRODUCED		\$ 17,429.65		
FY 2020 TAX RATE	\$ 19.6800			
1% INCREASE TAX RATE	\$ 0.1968			
ADDITIONAL TAXES AT 1%		\$ 343,015.45		

**Fiscal Year 2021
General Fund Budget Summary - Proforma - Without Turf Field and Zero Tax Increase
5/20/2020**

	FY 2020	FY 2021	\$ Change	% Change
	BUDGET	BUDGET	FY 20 to FY 21	FY 20 to FY 21
	<i>INCLUDES CARRY FORWARD AND SUPPLEMENTAL APPROPRIATIONS</i>			
EXPENDITURES				
MUNICIPAL	\$ 17,976,474	\$ 16,137,774	\$ (1,838,700)	-10.23%
SCHOOL DEPARTMENT	26,890,420	28,490,012	1,599,592	5.95%
OVERLAY	401,607	-	(401,607)	-100.00%
TIF DISTRICT	69,533	-	(69,533)	-100.00%
COUNTY ASSESSMENT	1,456,670	1,518,473	61,803	4.24%
TOTAL EXPENDITURES	\$ 46,794,704	\$ 46,146,259	\$ (648,445)	-1.39%
REVENUE				
MUNICIPAL	\$ 10,989,872	\$ 9,624,661	\$ (1,365,211)	-12.42%
SCHOOL DEPARTMENT	1,798,487	2,218,949	420,462	23.38%
TOTAL REVENUES	\$ 12,788,359	\$ 11,843,610	\$ (944,749)	-7.39%
NET TO TAXES				
MUNICIPAL	\$ 6,986,602	\$ 6,513,113	\$ (473,489)	-6.78%
SCHOOL DEPARTMENT	25,091,933	26,271,063	1,179,130	4.70%
OVERLAY	401,607	-	(401,607)	-100.00%
TIF DISTRICT	69,533	-	(69,533)	-100.00%
COUNTY ASSESSMENT	1,456,670	1,518,473	61,803	4.24%
TOTAL TAXES TO BE RAISED	\$ 34,006,345	\$ 34,302,649	\$ 296,304	0.87%
TAX RATES (Rounded to nearest ¢)				
MUNICIPAL	\$ 4.05	\$ 3.74	\$ (0.31)	-7.65%
SCHOOL DEPARTMENT	14.52	15.07	0.55	3.79%
OVERLAY	0.23	-	(0.23)	-100.00%
TIF DISTRICT	0.04	-	(0.04)	-100.00%
COUNTY ASSESSMENT	0.84	0.87	0.03	3.57%
TOTAL TAX RATE	\$ 19.68	19.68	0.00	0.00%
TAX RATE VALUATION BASIS	\$ 1,727,964,676	\$ 1,742,964,676	\$ 15,000,000.00	0.87%
1 CENT MILL RATE	0.0500%	\$ 0.01		
TAXES PRODUCED		\$ 17,429.65		
FY 2020 TAX RATE	\$ 19.6800			
1% INCREASE TAX RATE	\$ 0.1968			
ADDITIONAL TAXES AT 1%		\$ 343,015.45		