

Cape Elizabeth Tax Cap Task Force

June 10, 2004

The meeting began noting three handouts:

An agenda;

A proposed June-November timetable for task force work;

A copy of the projected impact of the Palesky Tax Cap on the budget of the city of Augusta

1. Steve Simonds commented that Mary Townsend was "under the weather" and would not be able to attend this evening's meeting. He further noted that she would also not be able to continue as Co-Chair of the task force but would work on the communications team. He had asked Seth Brewster to take Mary's place as Co-Chair and Seth had agreed to do so. He had also recruited Frank Miles to take summary notes at the task force meetings.

2. Steve thanked town and school officials and task force members for their information and thinking about the tax cap impact.

3. There followed a general discussion of the need for the task force to focus on the "guiding principles" of priority for both the town side and school side of the municipal budget. The clear consensus was that those principles would inform the public as to why certain potential budget recommendations were made by town and school officials and the task force. The issue of guiding principles will reoccur later in the meeting.

4. The MMA referendum (Question #1) that passed in the June 8 election will have some impact on the November referendum but no one was sure just what that impact would be. Possibilities mentioned:

What will happen in Augusta? Not sure

The Governor and officials in Augusta may ignore what the voters supported and push the phase in of \$250 million over five years and thus antagonize those who voted for the MMA proposal (send Augusta a message) and encourage more people to vote for a tax cap in November.

If revenue sharing and/or special education funding are cut, then the financial impact on the town's budgets is not clear.

In the interim, the task force should focus on the \$4.44 million in cuts that the town's finances would suffer if the tax cap were approved.

5. Discussion and revision of the timetable and meeting dates:

June

Assess the impact of Question # 1

Agree on overall potential impact of tax cap

Agree on mock budgets and supporting 'guiding principles'

Assemble a communications team and develop outline for the Report of Findings

July

Discuss first draft of Task Force Findings
Approve draft of Findings

August

Edit Findings for communications team
Finalize communications plans

September

Communications team continues work with Task Force to prepare to disseminate information to the public.

October

Begin execution of communication plan

November

Vote November 2

The following meeting dates for the Task Force were agreed to knowing that summer meeting dates meant some people would be on vacation.

Thursday, June 24th	Town Council Chambers
Tuesday, July 6th	Town Council Chambers
Tuesday, July 20th	Cape Elizabeth Fire Station
Tuesday, August 3rd	Town Council Chambers
Tuesday, August 17th	Cape Elizabeth Fire Station
Tuesday, August 31st	Town Council Chambers
Thursday, September 9th	Town Council Chambers

All meetings are from 7:00-9:00 PM

6. The discussion turned to just how the Task Force would put the draft of its findings together and touched on the following:

The time it will take to do this work

The nature of the guiding principles for making budget recommendations

The need to let the "experts" (Town Council and School Board) make the decisions [as to possible tax cap impact] on the budgets

The need to refer to the town's Comprehensive Plan in making recommendations

The question of cutting services or expanding or replacing property taxes

with user fees or other revenue sources

The problem of understanding the details of state and local funding of town and school expenses, i.e., special education, revenue sharing, school aid formulas, etc.

The need to agree on a set of numbers as targets for Task Force work

The need for clear priorities

The possible conflict within the priorities suggested by the guiding principles

7. There was a discussion of the budgetary goals of the Task Force (i.e., the total amount that the Palesky initiative will impact the Town budget). Chuck Wilson made a motion that was seconded and amended by Ann Swift-Kayatta. On a vote of 20 in approval and 2 in opposition, the Task Force passed the following resolution:

The projected impact of the Palesky Tax Cap on the Town budget is the loss of \$4.44 million of revenue from real estate property taxes. In its work, the Task Force will use this projected revenue loss (\$4.44million) to evaluate possible cuts in the school and the municipal budgets and/or sources of new revenue. For initial and non-binding guidance in evaluating budget cuts, the Task Force will use the present Town budget allocation of 68 percent for the schools and 32 percent for municipal services to apportion any proposed cuts from the school budget and the municipal budget.

There was a brief discussion of how we might apportion potential new sources of revenue, but there was a general consensus that the Task Force should leave resolution of this issue to later discussions.

8. There was clear consensus on the need to hear at the next meeting from both Michael McGovern and Tom Forcella on the thinking that underlay both of their lists of possible budget cuts from the respect sides of the town's budget. Both the town's Comprehensive Plan and the School Board's long range plan for the schools were mentioned as reference documents for Task Force discussions.

9. David Hillman noted that one major, but infrequently overlooked issue in the Palesky Tax Cap proposal, was the loss of local control of our town government. Not only would our town budgets need to suffer these cuts, but also all towns in the state would be unable to make decisions about their town's expenditures as they saw fit.

10. Steve Simonds asked for volunteers who wanted to work on the communications team chaired by Mary Townsend. Seth Brewster, Mary Ann Lynch, and Susan Spagnola volunteered.

11. Next meeting, Thursday, June 24, 7 PM in Town Council Chambers.

Our focus will be on Michael McGovern's list of recommendations and criteria for making those recommendations and on Tom Forcella's recommendations and his underlying criteria.

Submitted by Frank Miles, 6/14/04.