

Cape Elizabeth Tax Cap Task Force

Aug 3, 2004

I. Meeting called to order at 7:10 PM.

II. The minutes of the July 6 meeting were approved with the qualification of an item midway down under #3 "Still need to plan for the 'worst' case". The additional qualification is: "We could have to plan for an even 'worse' case if the constitutionality of parts of the Palesky referendum are not decided as most judicial advisors believe they will be. "

III. Report of the Municipal Revenue Committee: How can the Town cover the costs of some services with fees should the Town Council decide to do so.

- It could begin pay per bag at the Transfer Station - \$2.25/33 gal. bag & \$1.85/20 gal. bag.
- We need to insure that our costs per bag at Transfer Station are in line with neighboring communities.
- Could we increase cost per bag to cover other revenue shortfalls. The Swap shop is not a moneymaker.
- The Town has been reluctant to have pay per bag as a previous town poll showed people opposed to it.
- The Town could charge admission at Ft. Williams. The Ft. Williams Commission is looking at imposing just such fees.
- Ft. Williams fees need to be equivalent to fees charged by neighboring towns, e.g. Scarborough, for beach and recreational facilities.
- Community Services could adjust fees for the pool and fitness center to cover operating costs. Debt costs are not an issue here. Sue Weatherbie wishes to work with constituent groups regarding fees in all Community Services programs.
- An increase in pool usage is likely should So. Portland decide to close their pool.
- Building permit fees and development permit fees can increase.
- Other miscellaneous fees could increase to cover costs of Town services where appropriate.
- The committee did not discuss Thomas Memorial Library costs and its operations.
- By State law, towns cannot impose fees that go beyond recovery of costs per services.
- The committee has not yet made a recommendation on increasing the assessed value (as a basis for tax computation of a property from 80% to 100% of the market value. The committee will consider that issue at the next meeting.
- The committee only considered possible fee increases, not possible cost savings in other Town services. The regular Town administration will do that.
- The Task Force should make whatever recommendations it wants. These will all be part of the regular budget process and thus reviewed authoritatively by both the Town Council and School Board.
- A committee member noted that studying the proposed fee increases has been a good fiscal exercise regardless of the outcome of the referendum. It has provided insights into actual cost/services in the town (and schools) and will permit town officials to make better decisions in the future.

The Task Force approved a motion (proposed, B. Currier: seconded, D. Backer) to accept the Municipal Revenue Subcommittee's report.

IV. Report of the School Revenue Committee: How can the School Department cover the costs of some services with fees should the School Board decide to do so.

- The committee recommended a two tier fee structure for high school athletics: an average cost sport fee of \$450 and a high cost sport fee of \$900 (Hockey, Basketball, Skiing, & Swimming).
- The committee also recommended a similar two tier fee structure for middle school athletics: an average cost sport fee of \$110 and a high cost sport fee of \$200.
- The committee used current budget costs as a basis for these recommended fees as future costs are hard to predict. As new cost figures emerge, fees will be reviewed.
- Athletic fees are intended to cover only the costs of the athletics program and do not include the cost of the Athletic Director whose salary is listed in another account.
- Athletic fees are in addition to the booster groups contributions.
- We could charge admission to athletic events as we used to do. However, the Maine Principals' Association officially does not sanction doing so except at tournament games despite the fact that many schools continue a past practice of charging admission. We may review our policy if the tax cap passes and no doubt the Principals' Association would as well.
- We need to make sure the public is aware of possible admission fees to athletic events.
- Other high school co-curricular activities would have fees as well to cover their costs: Chorus, \$30; Speech & Debate \$430; Drama/Theater, \$80/production; and Math Team, \$20.
- Middle School activities would operate under the supervision of the principal(student council) or Community Services on a fee basis.
- Facility rental fees to non-CE groups could go up and is already a complex fee schedule with lower rates for local groups.
- Fees for school lunch fall under state law stipulating that each school district provide a "non-profit" lunch program in grades 1-8. High schools can charge more than their costs to help defray other costs. All these fees can be reviewed and adjusted to more fully cover the costs of food services.
- There could be fees for parking. Students might be charged \$200 for a school year parking permit, and there might be parking fees for pool and exercise room users or the parking charge could be incorporated in users' fees for those facilities.
- A number of recommendations for adjusting the school budgets made by Supt. Forcella were not reviewed by the School Board. They are not covered here. However, some such cuts, i.e., adjusting class sizes, faculty/student ratios, and/or eliminating faculty or staff positions might be considered if needed.
- When doing family profiles for publicity, we should include possible school user fees that would offset or surpass any benefits of a tax cut.
- The tax cap and resulting fee increases will hit some families with limited resources hard. The level of participation in sports, currently a very high percentage of students, may drop dramatically.
- Keep in the public mind: Taxes are deductible, fees are not.

The Task Force approved a motion (proposed, A. Swift-Kayatta: seconded, J. Angier) to accept the committee's report knowing proposed figures may need revision in the future.

V. Report of the Communications Committee: the Task Force reviewed a revised draft of the proposed Q & A handout. The new draft fits on two sides of one page in a two-column format. There was widespread agreement that this draft was much improved over the first draft.

- The next draft will update fees to reflect the new figures of the various revenue committees.
- The tax impact on real estate values will be revised to include debt service.
- The order of items may be revised to group similar issues more closely.
- The committee welcomes help revising figures and suggested improvements but needs them as soon as possible as the next draft is likely the final draft.
- The committee encourages Task Force members to volunteer to write letters for editorial pages in the local papers – Courier, Current, and Sentry. The committee would like to compile a list of such volunteers and the topics they would most like to address in their letter. It could then more effectively spread such letters across the several fall issues of our local newspapers.
- The Q & A draft will be approved at the Aug 17 meeting.

VI. Explanation of Palesky's debt service extension was postponed to Aug 17.

VII. Proposed Outline of Findings Report: Do we need a separate report in light of the excellent Q & A document, in itself a summary of Task Force work?

- Those present felt there should be some summary document, but that it might take the form of a cover letter and include the various reports of committees and other documents the Task Force has considered.

Notes submitted by Frank Miles. Remaining meetings : Tuesdays, Aug 17 and Aug 31, and Thursday, Sept 9.