To: Cape Elizabeth Town Council

From: Michael K. McGovern, Town Manager

Re: State Budget Adoption

Date: July 3, 2013

The Maine Legislature adopted the state budget for FY 2014 in late June. The amounts we will receive differ substantially from the budgets adopted in May. Maine State Revenue Sharing will provide $451,764 in revenue which is $188,236 less than budgeted and $451,764 more than proposed in the original state budget. The cost of the homestead exemption program will be $195,242 or $46,242 more than budgeted.

The most significant change is that the state school subsidy will be $2,620,194 or $427,691 more than budgeted. The original budget vote contained the following paragraph:

#7 VOTED: Additional Unanticipated State School Subsidy. That the town of Cape Elizabeth will reduce the additional local appropriation raised pursuant to Maine Revised Statutes, Title 20-A, §15690(3) for public schooling by the amount of any unanticipated state general purpose aid received for the fiscal year beginning July 1, 2013 and ending June 30, 2014.

Therefore, it is necessary to update the numbers adopted in the FY 2014 budget.



It is recommended to re-state the budget adopted in May to conform to the state budget adopted in late June.

*Ordered, the Cape Elizabeth Town Council, having held a public hearing on Monday, April 29, 2013, and having received revised estimates following the adoption of a state budget, does hereby re-state and approve ~~adopt~~ the General Fund Budget for Fiscal Year 2014 with gross expenditures of $~~33,226,169~~, $ 33,264,411 and gross revenues of $~~6,219,006~~ $6,458,461 and with the amount of $~~27,007,163~~ $ 26,805,950 to be raised from taxation, and to fix Tuesday, October 1, 2013, and Tuesday, April 1, 2014, as the dates upon each of which one-half of such tax is due and payable, with interest to accrue upon taxes due and unpaid after each such date at the rate of seven percent (7.00%) per annum. In accordance with 36 M.R.S.A. Section 506, the Tax Collector and Town Treasurer are authorized to accept prepayment or decline prepayment of taxes not yet committed or prior to any due date and pay no interest thereon. In accordance with 36 M.R.S.A. Section 506-A, a taxpayer who pays an amount accepted by the tax collector and town treasurer in excess of that finally assessed shall be repaid the amount of overpayment plus interest from the date of overpayment at the minimum annual rate per annum set by the State of Maine.*

*If the State of Maine shall during FY 2014 curtail or otherwise reduce the state school subsidy from the estimated $2,620,194, the town shall provide an amount equal to the amount curtailed or reduced from the unassigned fund balance to the Cape Elizabeth School Department so that the authorized expenditure amount is unchanged.*

*This restated budget approval reflects three revised estimates:*

*State School Subsidy from $2,192,506 to $2,620,194.*

*Maine State Revenue Sharing from $640,000 to $451,764.*

*Homestead Exemption local cost from $157,000 to $195,242*

The changes have the effect of lowering the proposed tax rate from $16.40 per thousand valuation to $16.28 per thousand valuation.