



Town of Cape Elizabeth, Maine  
Five Year Financial Forecast  
FY 2016-FY 2021

Fort Williams Park Arboretum  
Photography By Sarah Beard Buckley

Town of Cape Elizabeth  
Five Year Municipal Financial Forecast  
FY 2016–FY 2021

Attached is a five year financial forecast of municipal revenues, expenditures and tax rate impacts.

The assumptions utilized are as follows:

**Expenditure Assumptions**

The Thomas Memorial Library referendum will be approved in November 2014 and \$4.0 million will be borrowed in July 2015 for the library. Inflation for most expenditures will be 2.5% per annum. Inflation for employee benefits will be 5% per annum. There will be no additional debt service for the municipal general fund beyond the library during the five year period. The capital budget would receive a \$50,000 increase in FY 2016, no increase in FY 2017 and \$100,000 increases in FY 2018, 2019 and 2020 and a \$200,000 increase in FY 2021.

**Revenue Assumptions**

There will be additional growth resulting in a 1% increase in valuation each year. Excise tax revenue will grow 2.5% per annum. Support from state government will be flat. Revenue from the cable television franchise fee will decline 20% over the next five years. Revenue from the recycling center will increase about 3% each year as a result of fee adjustments. All other revenues will be flat over the period.

The forecast predicts that the tax rate for municipal services will increase a total of 40 cents over the next five years. This compares to a 49 cent increase for schools alone in the FY 2015 adopted budget. The municipal increase would add about \$120 to the average tax bill in FY 2021 compared to what it is in FY 2015.

**Town of Cape Elizabeth  
Five Year Financial Forecast**

	Budget	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	
Administration	\$ 569,955	\$ 584,204	\$ 598,809	\$ 613,779	\$ 629,124	\$ 644,852	\$ 660,973	
Assessing Codes and Planning	\$ 382,541	\$ 392,105	\$ 401,907	\$ 411,955	\$ 422,254	\$ 432,810	\$ 443,630	
Town Council	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	
Legal and Audit	\$ 65,000	\$ 66,625	\$ 68,291	\$ 69,998	\$ 71,748	\$ 73,542	\$ 75,380	
Elections	\$ 34,074	\$ 34,926	\$ 35,799	\$ 36,694	\$ 37,611	\$ 38,552	\$ 39,515	
Board and Commissions	\$ 13,714	\$ 14,057	\$ 14,408	\$ 14,768	\$ 15,138	\$ 15,516	\$ 15,904	
Insurance	\$ 95,000	\$ 97,375	\$ 99,809	\$ 102,305	\$ 104,862	\$ 107,484	\$ 110,171	
Employee Benefits	\$ 1,104,717	\$ 1,159,953	\$ 1,188,952	\$ 1,218,675	\$ 1,249,142	\$ 1,280,371	\$ 1,312,380	
Public Information	\$ 53,182	\$ 54,512	\$ 55,874	\$ 57,271	\$ 58,703	\$ 60,171	\$ 61,675	
Contributions	\$ 48,414	\$ 49,624	\$ 50,865	\$ 52,137	\$ 53,440	\$ 54,776	\$ 56,145	
Debt Service	\$ 888,319	\$ 875,150	\$ 829,716	\$ 810,325	\$ 785,308	\$ 760,437	\$ 447,049	
<b>Library Debt Service</b>		\$ 80,000	\$ 356,000	\$ 348,000	\$ 340,000	\$ 332,000	\$ 324,000	
Police Department	\$ 1,259,731	\$ 1,291,224	\$ 1,323,505	\$ 1,356,593	\$ 1,390,507	\$ 1,425,270	\$ 1,460,902	
Fire Department	\$ 351,376	\$ 360,160	\$ 369,164	\$ 378,394	\$ 387,853	\$ 397,550	\$ 407,488	
Animal Control	\$ 23,696	\$ 24,288	\$ 24,896	\$ 25,518	\$ 26,156	\$ 26,810	\$ 27,480	
Public Safety Communications	\$ 172,499	\$ 176,811	\$ 181,232	\$ 185,763	\$ 190,407	\$ 195,167	\$ 200,046	
Miscellaneous Public Protection	\$ 145,613	\$ 149,253	\$ 152,985	\$ 156,809	\$ 160,730	\$ 164,748	\$ 168,866	
Public Works	\$ 1,128,969	\$ 1,157,193	\$ 1,186,123	\$ 1,215,776	\$ 1,246,171	\$ 1,277,325	\$ 1,309,258	
Refuse Disposal and Recycling	\$ 487,210	\$ 499,390	\$ 511,875	\$ 524,672	\$ 537,789	\$ 551,233	\$ 565,014	
Human Services	\$ 51,408	\$ 52,693	\$ 54,011	\$ 55,361	\$ 56,745	\$ 58,163	\$ 59,618	
Library	\$ 524,075	\$ 537,177	\$ 550,606	\$ 564,371	\$ 578,481	\$ 592,943	\$ 607,766	
Facilities Management	\$ 198,441	\$ 203,402	\$ 208,487	\$ 213,699	\$ 219,042	\$ 224,518	\$ 230,131	
Buildings Maintenance and Utilities	\$ 165,040	\$ 169,166	\$ 173,395	\$ 177,730	\$ 182,173	\$ 186,728	\$ 191,396	
Fort Williams Park	\$ 242,651	\$ 248,717	\$ 254,935	\$ 261,309	\$ 267,841	\$ 274,537	\$ 281,401	
Other Parks and Grounds	\$ 289,021	\$ 296,247	\$ 303,653	\$ 311,244	\$ 319,025	\$ 327,001	\$ 335,176	
Intergovernmental Assessments	\$ 31,598	\$ 32,388	\$ 33,198	\$ 34,028	\$ 34,878	\$ 35,750	\$ 36,644	
Capital Projects	\$ 900,000	\$ 950,000	\$ 950,000	\$ 1,000,000	\$ 1,100,000	\$ 1,200,000	\$ 1,400,000	
	\$ 9,226,744	\$ 9,557,141	\$ 9,978,994	\$ 10,197,673	\$ 10,465,627	\$ 10,738,751	\$ 10,828,509	
\$ Increase	\$ 194,421	\$ 330,397	\$ 421,853	\$ 218,678	\$ 267,954	\$ 273,124	\$ 89,757	
% Increase	2.2%	3.6%	4.4%	2.2%	2.6%	2.6%	0.8%	

**Five Year Financial Forecast  
Revenues**

	Budget FY 2015	Forecast FY 2016	Forecast FY 2017	Forecast FY 2018	Forecast FY 2019	Forecast FY 2020	Forecast FY 2021
<b>Revenues</b>							
Excise Taxes	\$ 1,800,000	\$ 1,845,000	\$ 1,891,125	\$ 1,938,403	\$ 1,986,863	\$ 2,036,535	\$ 2,087,448
State Revenue Sharing	\$ 451,764	\$ 451,764	\$ 451,764	\$ 451,764	\$ 451,764	\$ 451,764	\$ 451,764
MDOT Block Grant	\$ 84,400	\$ 84,400	\$ 84,400	\$ 84,400	\$ 84,400	\$ 84,400	\$ 84,400
Building Permit Fees	\$ 120,000	\$ 140,000	\$ 140,000	\$ 140,000	\$ 140,000	\$ 140,000	\$ 140,000
Use of Surplus	\$ 352,000	\$ 352,000	\$ 352,000	\$ 352,000	\$ 352,000	\$ 352,000	\$ 352,000
Cable Franchise Fees	\$ 150,000	\$ 140,000	\$ 130,000	\$ 120,000	\$ 120,000	\$ 120,000	\$ 120,000
Recycling Area Fees	\$ 84,400	\$ 90,000	\$ 93,000	\$ 96,000	\$ 99,000	\$ 102,000	\$ 105,000
Other Revenues	\$ 305,700	\$ 305,700	\$ 305,700	\$ 305,700	\$ 305,700	\$ 305,700	\$ 305,700
	<b>\$ 3,348,264</b>	<b>\$ 3,408,864</b>	<b>\$ 3,447,989</b>	<b>\$ 3,488,267</b>	<b>\$ 3,539,727</b>	<b>\$ 3,592,399</b>	<b>\$ 3,646,312</b>
<b>Summary</b>							
Total Non-Property Tax Revenues	\$ 3,348,264	\$ 3,408,864	\$ 3,447,989	\$ 3,488,267	\$ 3,539,727	\$ 3,592,399	\$ 3,646,312
Total Projected Expenditures	\$ 9,226,784	\$ 9,557,141	\$ 9,978,994	\$ 10,197,673	\$ 10,465,627	\$ 10,738,751	\$ 10,828,509
Balance Needed from Property Taxes	\$ 5,878,520	\$ 6,148,277	\$ 6,531,005	\$ 6,709,406	\$ 6,925,900	\$ 7,146,352	\$ 7,182,197
Change from Previous Year	\$ 56,421	\$ 269,757	\$ 382,728	\$ 178,401	\$ 216,494	\$ 220,452	\$ 35,845
Amount Available from New Valuation	\$ 56,421	\$ 58,785	\$ 61,483	\$ 65,310	\$ 67,094	\$ 69,259	\$ 71,464
Balance Needed from New Taxes	\$ -	\$ 210,972	\$ 321,245	\$ 113,091	\$ 149,400	\$ 151,193	\$ (35,619)
<b>Projected Tax Change % for Municipal</b>	<b>0.0%</b>	<b>3.6%</b>	<b>5.2%</b>	<b>1.7%</b>	<b>2.2%</b>	<b>2.2%</b>	<b>-0.5%</b>
<b>Change in Overall Tax Rate</b>	<b>0.0%</b>	<b>0.8%</b>	<b>1.2%</b>	<b>0.4%</b>	<b>0.5%</b>	<b>0.5%</b>	<b>-0.1%</b>
	\$	\$	\$	\$	\$	\$	\$
<b>Tax Rate for Municipal Services</b>	<b>3.54</b>	<b>3.67</b>	<b>3.86</b>	<b>3.88</b>	<b>3.91</b>	<b>3.94</b>	<b>3.94</b>