



Administrative Assistant to the Selectmen

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To: Selectmen, Budget Committee
From: Stu Marckoon
Re: Revenue Budget 2012/13
Date: October 20, 2011

I'm pleased to present the revenue budget for 2012/13. As you are aware, I try to be very conservative on the estimated revenues, but in the last couple of years, that hasn't worked very well, as the economic downturn has affected both excise tax (2nd highest revenue source) and interest income from investments (a significant chunk) negatively. That being said, it's my hope that the FY 13 revenue forecast is close to reality, or even less than actual. You'll note that for FY 2011, the revenues came in 1.8% low, which given the predictability of things, is pretty good.

Interest – unpaid taxes – The 5-year average is \$8,306. In FY 2011 we collected over \$9,800 in interest on unpaid taxes. The number of liens and the length those liens go unpaid have both increased, therefore I'm projecting a significant increase in interest, but not the average or last year's rate, just to be safe.

Auto Excise – I really hope we'll have hit bottom on excise tax collections this fiscal year and collections will at least come back to FY 2011 levels for FY 2013. No change is projected. We're starting to see a lot of new cars being registered lately.

Boat Excise - The last fiscal year was within \$3 of the 5-year average. The projection is for \$100 below that average which ought to be close.

Administration Fees – For some reason we've dropped a lot on these – partly due to the discontinuance of the demo debris program with the city of Ellsworth. FY 2011 saw only \$447 collected, so the \$450 is based on that figure.

Tax Lien Charges – This amount offsets the lien costs line in the expense budget, down \$100 from the current fiscal year, based on the just closed year.

Agent Fees – No change is proposed, though we collected about \$675 more than budgeted for FY 2011. This is a pretty steady income which grew thanks to Shellfishing licenses.

Revenue Sharing – It's anyone's guess as to how Augusta will treat this program. Right now we're ahead of the game, but depending on the economy and the political climate in the statehouse, it could change.

General Assistance Reimbursement – If we spend all the budgeted General Assistance (and we rarely do), this is the amount we'd be refunded.

Investment Interest – Based on the actual for FY 2011, this has been lowered 20% to \$12,000. I'm in hopes that cash flow wise we can keep money in the bank longer and earn a little better return, but interest rates are quite low right now.

Cell Tower Rental – This is a fixed number – easy to figure.

Hodgkins Trust Fund – There is nothing proposed from here, though it'll have more than \$10,000 available. We could use some of this for the vault shelving.

Surplus – Provided we don't have to pay any huge tax abatements, we should be able to use \$55,000 from surplus to offset costs. We ended the fiscal year with \$363,000 in surplus, plus over \$60,000 in overlay. With the \$53,205 used this year that would still leave us with more than the \$300,000 goal.

CEO Fees – We managed to bring in over \$10,800 in fees for code enforcement permits in FY 2011. The proposed amounts are a bit less than the 5-year average and the last year, estimating conservatively.

Road Assistance – While the amount from the State is estimated to increase by \$1,600 over the current fiscal year, it's less than the 5-year average. Not sure what the State might do with road assistance.

Road Fund Use – The fund has about \$60,000, but there is not a lot of paving cost in this year's budget. Keeping this in reserve will help cushion future years, therefore no allocation is proposed.

Parks Fund – The Parks fund has \$5,700 in it. I believe new picnic tables will be requested by the Parks Commission, and \$1,500 from the fund will help defray that.

Cable TV Revenues – The amount of revenue matches the expenditure budget. It's still far less than the franchise fees bring in.

Animal Control – This is based on the actual for 2010-11. More people apparently registered their dogs on time (or didn't register dogs). The warrant process has gone away, so income from this has fallen a bit, therefore the proposed decrease.

Capital Projects – No allocation is proposed from this fund for FY 13. There is still more than \$53,000 in the fund.

Respectfully submitted,

Stu Marckoon