

February 8, 2010

The Council moved directly into Workshop.

The Manager presented a series of Budget Adjustments focused on the Non-Property Tax Revenues and potential adjustment to prior estimates. The purpose of the examination was to see if any further non-property tax revenue could reasonably be projected to lessen the prior estimates of the loss of State and Federal resources historically paid to the City.

The Manager reviewed Excise Tax, currently estimates as \$1,150,000, in the current Budget book. No further increase in this account could be made as there were no identified indicators of increased valuation on vehicles for the ensuing year. A best case projection would be to maintain the level of last year with no further expected growth.

State Revenue sharing was discussed. The State recorded December receipts that were \$56 million higher than previously projected and January's were \$14 million greater than projections. The last Legislative Phone conference indicated that if this level of performance is seen again in February, then the State would re-project these receipts. A positive new projection of receipts would lessen the probability that the State would take the proposed additional \$11 million from Revenue Sharing resulting in an increase of at least \$134,000 for the City. This increase would not count the increased performance, but only the amount that was previously projected to decrease the City's share of Revenue Sharing as per the State's taking of the additional \$11 million.

Tri-Community Landfill and the owner community balance resulting from the recent Phase III projects was discussed. If the TCL Board votes to release these funds to the three owner communities in 2010, Caribou's share would be \$510,000. The current Budget had booked the same dividend as last year to be allocated from this reserve, \$158,217. The Council will hold on this account until such time as the TCL Board makes a decision as to the timing and ability for these funds to be made available to the owner communities.

Code Enforcement fees were briefly discussed as per changes to the fee schedules that may result from the adoption of the IBC codes. The initial estimate was not more than a \$2,000 increase. Fire Department fees were discussed. The City has a long standing methodology of calculating equitable assessments to communities seeking Fire Protection through Caribou. The calculation takes the current year's Budget and allocates such fees back to all communities, including Caribou, as a percentage of the entire base served based upon 50% population and 50% state equalized valuation less land value. By using this formula, all entities being served are contributing equitably to the overall costs. The net result is a 5.26% increase in the fees to other towns. The Council did not recommend any amendment to this process at this point but will continue to consider in the future.

Ambulance Revenue was examined. The Manager had previously given a calculation of the increased revenue should the Super Rural Medicare reimbursement be restored. For this session, the Manager examined Chief Woods projection of an additional 150 runs being added to the current calculations for the year. The net revenue estimated from this increase would positively impact revenue projections by \$135,000. The Manager also indicated that if the State Ryder A reimbursement under the MaineCare Program is reinstated, the City would stand to gain an additional \$75,000.

The potential net gain if all of these amendments were able to be adopted would be a positive \$692,000 to the non-property tax revenue projection for the Municipal Budget. Based upon the Manager's participation in the last two Legislative phone conferences, the City should know more on many of these new projection in the next two to three weeks.

Workshop adjourned at 9:45PM

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