

# Final Draft

## Chapter 9

### MUNICIPAL FINANCES

Municipal finances consist of two considerations; revenues and expenditures. Revenues are methods utilized to provide funding for expenditures that provide common services for town residents that they cannot economically provide individually for themselves. Common town services usually include:

1. General government and administration
2. Education
  - a. Public schools
  - b. Continuing education
3. Public Works
  - a. Roads
  - b. Utilities
  - c. Sewer
  - d. Maintenance of town property
4. Public Safety
  - a. Police
  - b. Fire
  - c. Local Emergency Management
  - d. Emergency Medical Services
5. Health and sanitation
  - a. Waste services
  - b. Public Health
  - c. Cemeteries
6. Culture and recreation
  - a. Parks, trails, and beaches
  - b. Recreation programs
  - c. Youth and senior programs
  - d. Libraries
  - e. Festivals
7. Capital funding
  - a. Capital maintenance – repair, replacement of equipment , and structures
  - b. Asset management to provide maximize future revenues
  - c. Infrastructure expansion necessitated by town growth

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The quantity and level of services is a community decision balanced between its desires and the means to afford them. Affordability is determined by the ability to provide revenues without undue hardship on those providing it.

## Town Expenditures

Table 9.1, Summary and Analysis of Municipal Expenditures shows that the total expenditures increased by 21% over the seven years from 2007 to 2013. With education removed remaining Municipal Expenditures increased by 15%. Examining education its cost increased 25% over the seven year period..

An analysis of expenditures (Table 1) reflects positive and negative changes. The largest percentage increase was the 414% in capital expenditures. During the 7 years of this increase the Town actively updated its aging fleet of vehicles.. However, it should have been expected that updating the fleet would have caused a decrease in vehicle maintenance cost. Instead it increased 46.6%.

Also significant were the increases of 175% in Human Services/Agency, 96% in long term debt service, and 38% in the county tax. It should be noted that the debt service is anticipated to decrease from \$210,300 in 2014 to \$3,174 in 2015. Finally the increases in general government of 13.5%, police department of 18.5% and fire department of 40.6% are notable. The cause while unconfirmed may be wage & associated labor cost.

**Table 9.1  
Summary & analysis of Municipal Expenditures**

Expenditures	2007	2008	2009	2010	2011	2012	2013	% Increase	
								2007 - 13	2012 - 13
General government	352,512	333,789	376,841	355,623	378,908	399,396	400,206	13.5	0.2
Planning, assessing, enforcement	162,929	161,811	163,247	167,221	157,269	159,681	159,128	-2.3	-0.3
Police department	479,512	497,348	573,318	569,715	519,189	530,864	568,098	18.5	7.0
Public safety dispatch	178,137	184,309	212,645	221,624	194,380	144,815	131,499	-26.2	-9.2
Fire department	140,386	156,997	181,560	169,173	188,478	216,374	197,423	40.6	-8.8
Ambulance	70,000	69,000	68,000	67,000	66,000	55,000	49,500	-29.3	-10.0
Hydrants	163,861	199,683	164,808	199,683	193,356	173,919	170,376	4.0	-2.0
Street lights	32,182	33,322	34,729	31,084	28,638	28,603	28,768	-10.6	0.6
Insurance	143,212	127,248	128,020	173,429	151,440	188,687	120,351	-16.0	-36.2
Public works	583,167	679,702	656,325	690,807	523,817	533,774	562,620	-3.5	5.4

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Vehicle maintenance	236,135	325,718	294,711	276,956	321,997	297,432	345,784	46.4	16.3
Solid waste	712,491	698,915	693,853	660,380	650,813	597,795	561,462	-21.2	-6.1
Municipal complex	105,854	112,337	107,182	94,889	101,296	99,834	98,133	-7.3	-1.7
Cemeteries	19,385	5,533	19,150	26,444	24,021	21,451	22,921	18.2	6.9
Recreation and parks	225,431	222,759	245,945	245,478	249,702	198,066	220,991	-2.0	11.6
Libraries	84,000	84,000	85,000	85,000	79,000	75,000	70,000	-16.7	-6.7
Employee benefits	573,463	535,013	471,382	488,865	500,999	466,078	453,743	-20.9	-2.6
Human services/agency requests	35,880	90,514	94,679	96,167	100,777	99,628	103,599	188.7	4.0
General assistance	17,313	24,756	38,967	32,784	33,769	24,831	17,842	3.1	-28.1
Long term debt service	68,016	70,525	67,795	81,385	140,840	137,855	133,192	95.8	-3.4
Education	6,546,216	7,092,197	7,697,965	7,593,097	7,766,493	7,975,784	8,202,450	25.3	2.8
County tax	417,571	470,309	516,630	541,832	563,004	572,170	574,406	37.6	0.4
Fire equipment reserve	29,084		869,000	1,097				-100.0	NA
Computer system								NA	NA
Dam restorations								NA	NA
Army Res/Comm. Ctr	75,311	74,999	75,538	74,900	74,884	68,378	73,351	-2.6	7.3
CDBG grant	29,096	336,858	33,938	52,477	56,490	209,356	98,141	237.3	-53.1
Revaluation	169,392							-100.0	NA
Capital expenditures	174,192		575,589	306,617	405,976	738,876	894,414	413.5	21.1
FEMA			45,687	89,979		0			NA
Other	87,562	286,786	33,028	179,343	23,910	115,348	138,118	57.7	19.7
<b>Total Expenditures</b>	<b>11,912,290</b>	<b>12,874,428</b>	<b>14,525,532</b>	<b>13,573,049</b>	<b>13,495,446</b>	<b>14,128,995</b>	<b>14,396,516</b>	<b>20.9</b>	<b>1.9</b>
Annual % Increase in Total Expenditures		0.0808	0.1282	-0.0656	-0.0057	0.0469	0.0189		
Total Expenditures Less Education	5,366,074	5,782,231	6,827,567	5,979,952	5,728,953	6,153,211	6,194,066	15.4	0.7
% Increase Without Education		0.0776	0.1808	-0.1241	-0.0420	0.0741	0.0066		
Education Budget as % of Total Expenditures	0.5495	0.5509	0.5300	0.5594	0.5755	0.5645	0.5698		

Source: Bridgton's audited financial statements for 2007 - 2013

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Five major programs comprise approximately 90% of annual expenditures. Table 2 shows the total cost (in thousands) of these programs, their percentage of the total annual town expenditures, the net cost of each after revenues offset of fees generated from them and the percentage of fees born by the taxpayers.

Education comprised approximately 57 % of expenditures in 2013, an increase from 54% in 2007. It is funded solely by taxpayers. The educational budget is prepared by the regional school district and the town has little control over it except to accept or reject it when it is presented to the member towns as a referendum. While the preparation of the school budget is an open process only the town elected members of the School Board normally participate. It is seldom that town officials and board or committee members attend educational budget meetings.

The remaining four programs shown in Table 9.2 are largely but not totally funded by the taxpayers. Some portion of each is funded by licenses and permit fees, charges for services or use of facilities.

**Table 9.2  
Analysis of Major Governmental Programs (in thousands)**

	2010				2011				2012				2013			
	Total Cost (\$)	% of Total Exp	Net Cost (\$)	% Born by Tax - payer	Total Cost (\$)	% of Total Exp	Net Cost (\$)	% Born by Tax - payer	Total Cost (\$)	% of Total Exp	Net Cost (\$)	% Born by Tax - payer	Total Cost (\$)	% of Total Exp	Net Cost (\$)	% Born by Tax - payer
Education	7593	57.3	7593	100.0	7766	56.8	7766	100.0	7976	65.3	7976	100.0	8202	0.7	8202	100.0
Public Safety	1359	10.3	1330	97.9	1306	9.6	1280	98.0	1265	10.4	1259	99.5	1268	0.1	1262	99.5
General Gov't	1312	9.9	991	75.5	1353	9.9	871	64.4	1399	11.4	970	69.3	1358	0.1	895	65.9
Public Works	1083	8.2	827	76.4	954	7.0	742	77.8	968	7.9	704	72.7	1053	0.1	807	76.6
Health/ Sanitation	675	5.1	664	98.4	665	4.9	665	100.0	613	5.0	595	97.1	578	0.0	573	99.1
<b>Totals</b>	<b>12,022</b>	<b>91</b>	<b>11,405</b>		<b>12,044</b>	<b>88</b>	<b>11,324</b>		<b>12,221</b>	<b>100</b>	<b>11,504</b>		<b>12,459</b>	<b>1</b>		<b>94</b>

*Source: Bridgton's audited financial statements for 2011 and 2013*

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## Town Revenues

Having decided upon quantity and level of desired services the Town must raise revenues to fund expenditures. Levying real estate and personal property taxes and excise taxes on vehicles are the common means. Additionally fees are charged for licenses and services provided to individual residents. Finally state revenue sharing and Federal funding is a significant but decreasing source. Table 9.3, showing the Town's revenues for the years 2010 through 2013 proves this. During this four year period real, personal and excise taxes and intergovernmental sharing provided an average of 91% and 5.7% of the Town's revenues respectfully.

**Table 9.3  
Annual Revenues**

	<b>2010</b>		<b>2011</b>		<b>2012</b>		<b>2013</b>	
	<b>Amount</b>	<b>% of Total</b>	<b>Amount</b>	<b>% of Total</b>	<b>Amount</b>	<b>% of Total</b>	<b>Amount</b>	<b>% of Total</b>
<b>Taxes</b>								
Real & personal property	11,346,216	84.72	11,779,598	85.66	12,354,740	86.12	12,952,215	86.86
Interest & costs on taxes	97,853	0.73	105,759	0.77	92,128	0.64	91,146	0.61
Excise taxes - motor vehicles	658,158	4.91	670,106	4.87	667,173	4.65	710,039	4.76
Excise taxes /boats trailers/aircraft	36,686	0.27	35,080	0.26	36,601	0.26	33,924	0.23
<b>Total taxes</b>	<b>12,138,913</b>	<b>90.63</b>	<b>12,590,543</b>	<b>91.56</b>	<b>13,150,642</b>	<b>91.67</b>	<b>13,787,324</b>	<b>92.46</b>
<b>Licenses &amp; Permits</b>								
Business & victualers	1,836	0.01	2,025	0.01	1,911	0.01	1,954	0.01
Town clerk fees	14,604	0.11	15,589	0.11	17,565	0.12	16,479	0.11
Vehicle/boat/ATV	22,537	0.17	21,953	0.16	21,620	0.15	21,560	0.14
Building permits	24,522	0.18	27,128	0.20	24,888	0.17	24,803	0.17
Plumbing permits	7,725	0.06	11,330	0.08	13,775	0.10	13,261	0.09
Penalties/fines	1,332	0.01	16,430	0.12	11,726	0.08	13,229	0.09
<b>Total licenses &amp; permits</b>	<b>72,556</b>	<b>0.54</b>	<b>94,455</b>	<b>0.69</b>	<b>91,485</b>	<b>0.64</b>	<b>91,286</b>	<b>0.61</b>
<b>Intergovernmental</b>								
Snowmobile refund		0.00		0.00	0	0.00		0.00
Veterans reimbursement	5,621	0.04	5,598	0.04	5,063	0.04	5,726	0.04
Municipal rent	56,154	0.42	58,343	0.42	58,289	0.41	58,702	0.39
General assistance	11,281	0.08	20,612	0.15	18,590	0.13	5,029	0.03
MDOT road assistance	102,984	0.77	107,552	0.78	111,704	0.78	109,173	0.73
FEMA/MEMA reimbursement	106,175	0.79		0.00		0.75		0.03
CDBG grants	130,043	0.97	72,772	0.53	107,286	0.16	4,321	0.18
CDBG grant administration	29,166	0.22	37,323	0.27	23,333	1.92	26,200	1.94

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State revenue sharing	271,810	2.03	268,909	1.96	276,027	0.44	289,283	0.35
Tree growth	32,896	0.25	34,302	0.25	62,803	0.01	51,467	0.01
Parks fee reimbursement	910	0.01	1,934	0.01	1,422	0.02	1,419	0.06
Gasoline refund	2,560	0.02	3,578	0.03	2,977	0.58	8,518	0.61
Homestead exemption	108,384	0.81	62,228	0.45	83,821	0.01	91,290	0.01
BETE	1,291	0.01	338	0.00	1,093	5.24	1,227	4.37
<b>Total intergovernmental</b>	<b>859,275</b>	<b>6.42</b>	<b>673,489</b>	<b>4.90</b>	<b>752,408</b>	<b>5.24</b>	<b>652,355</b>	<b>4.37</b>
<b>Charges for services</b>								
Fire/police department	13,650	0.10	10,053	0.07	5,617	0.04	5,635	0.04
General government	11,644	0.09	85,931	0.62	8,130	0.06	62,407	0.42
Cemeteries	-200	0.00		0.00		0.00		0.00
Transfer station	139,975	1.05	94,970	0.69	140,644	0.98	122,324	0.82
Recreation	7,305	0.05	8,017	0.06	6,717	0.05	7,576	0.05
Police & court officer	650	0.00	718	0.01	450	0.00	1,120	0.01
Cable TV	42,355	0.32	47,224	0.34	48,523	0.34	48,913	0.33
Planning & appeals	2,325	0.02	2,200	0.02	2,075	0.01	1,917	0.01
Public works	10,305	0.08	5,427	0.04	8,074	0.06	5,447	0.04
Dispatch	2,250	0.02	2,250	0.02		0.00	1	0.00
Alarm Revenue	11,515	0.09	13,140	0.10	80	0.00		0.00
Other	1,658	0.01		0.00		0.00		0.00
Total charges for services	243,432	1.82	269,930	1.96	220,310	1.54	255,340	1.71
Investment earnings	9,800	0.07	6,212	0.05	2,565	0.02	9,351	0.06
<b>Unclassified</b>								
Sale of property	65,535	0.49	17,342	0.13	49,656	0.35	30,660	0.21
Donations	296	0.00	1,762	0.01		0.00		0.00
Animal Control	1,393	0.01		0.00	2	0.00		0.00
Trust funds		0.00	71,537	0.52	78,456	0.55	84,670	0.57
Salmon Point		0.00		0.00		0.00		0.00
Adjust loan allowance	2,000	0.01		0.00		0.00		0.00
Other	86	0.00	25,582	0.19		0.00		0.00
<b>Total unclassified</b>	<b>69,310</b>	<b>0.52</b>	<b>116,223</b>	<b>0.85</b>	<b>128,114</b>	<b>0.89</b>	<b>115,330</b>	<b>0.77</b>
<b>Total revenues</b>	<b>13,393,286</b>	<b>100.00</b>	<b>13,750,852</b>	<b>100.00</b>	<b>14,345,524</b>	<b>100.00</b>	<b>14,910,986</b>	<b>100.00</b>

Source: Bridgton's audited financial statements for 2011 & 2013

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## Historical Valuations and Taxes

Real estate and personal property taxes are levied based upon market valuations of properties. The total valuations are summed and compared to the budgeted expenditures to determine a mil (tax) rate. The rate is then applied to individual properties to determine the tax to be paid by the owner. Those properties having the greater value pay the largest real and personal property taxes.

Both the Town of Bridgton and the State of Maine compute valuations for the Town. The State compiles and adjusts its figures to reflect actual property transactions, and hence market values. Bridgton's valuations will reflect market value only in those years in which the Town conducts a revaluation and adjusts values to reflect market conditions. State valuation figures for any given year are two years old, and thus do not reflect recent changes in overall property values. State law requires that when a municipality's valuation drops below 70% of the State valuation, a revaluation must be undertaken.

Table 9.4 provides a summary of Bridgton's State valuation, municipal valuation, the tax assessment and tax rate for the years 1990 through 2013, as reflected in municipal valuations prepared by the State Bureau of Taxation and in municipal valuation returns. In the past seven years, Bridgton's State valuation rose from \$743 million to \$984.5 million, or 32%. During the same period, the Town's valuation rose from \$901.9 million to \$985.1 million, or 38.9%, and the Town's tax assessment rose from \$10 million to \$12.9 million, or 28.5%. A high valuation, or high tax rate does not necessarily mean that taxes are high. A community with a high valuation can raise a given sum of money with a relatively low tax rate, whereas a community with a low valuation can raise the same amount of money only with a higher tax rate.

**Table 9.4**  
**Historical Valuation and Taxes**

	<b>State Valuation</b>	<b>Municipal Valuation</b>	<b>Bridgton Tax Assessment</b>	<b>Tax Rate</b>
1990	\$319,300,000	\$216,681,237	\$4,691,148	.02165
1995	\$355,350,000	\$338,587,208	\$5,938,820	.01754
2000	\$349,700,000	\$393,080,600	\$6,191,020	.01575
		<b>New Valuation</b>		
2007	\$743,050,000	\$901,874,925	\$10,042,139	.01130
2008	\$882,400,000	\$927,449,360	\$10,619,298	.01145
2009	\$993,350,000	\$939,284,450	\$11,431,092	.01217
2010	\$1,023,700,000	\$961,654,784	\$11,471,672	.01199
2011	\$1,060,000,000	\$965,716,545	\$11,781,742	.01220
2012	\$1,032,250,000	\$973,893,037	\$12,368,442	.01270
2013	\$984,500,000	\$985,102,681	\$12,904,845	.01310

Source: *Municipal Valuation Returns Statistical Summary, 1990-2001, 2006-2013 State Bureau of Taxation, and Town tax records*

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In the past seven years the tax assessment increased a total of 28.5% or an average of 4.07% annually. However, over the most recent four years the average increase has been only 2.1% per year. During the same period the state revenue sharing has decrease from \$413,269 (2006) to \$268,909 (2011) or 34.9%. Education increased from \$6,336,750 to \$7,766,493 or 22.5%. Considering loss revenue and significant educational cost increases the tax assessment and town budget have been managed to minimize impact upon property owners.

### Valuation Comparison

State valuation comparisons and per capita valuations are two measures of a community's wealth relative to other communities. Table 9.5 contains a summary of State valuations and per capita valuations for Bridgton and nearby communities. Bridgton's 2010 State valuation (\$1,060.0 million) is higher than that of all comparison communities. In terms of State per capita figures, Bridgton has a higher per capita valuation (\$203,455) than the County (\$148,432) and the State (\$148,432). However, Bridgton's per capita valuation is lower than all of the comparison communities shown in the table except Casco (\$172,286), Fryeburg (\$112,308) and Waterford (\$169,382).

<b>Table 9.5 Comparative Valuation Figures</b>						
	<b>Population</b>		<b>State Valuation</b>		<b>Full Value Per Capita</b>	
	<b>2000</b>	<b>2010</b>	<b>2000</b>	<b>2010</b>	<b>2000</b>	<b>2010</b>
Bridgton	4,883	5,210	\$349,700,000	\$1,060,000,000	\$71,616	\$203,455
Casco	3,469	3,742	\$224,700,000	\$664,700,000	\$64,774	\$172,286
Denmark	1,004	1,148	\$100,100,000	\$302,300,000	\$99,701	\$263,328
Harrison	2,323	2,730	\$180,000,000	\$541,500,000	\$77,486	\$198,352
Fryeburg		3449		\$387,350,000		\$112,308
Naples	3,282	3,872	\$260,600,000	\$790,450,000	\$79,403	\$204,145
Raymond	4,299	4,436	\$371,150,000	\$1,026,000,000	\$86,334	\$231,289
Sebago	1,433	1,719	\$144,250,000	\$424,700,000	\$100,663	\$247,062
Sweden	324	391	\$29,350,000	\$87,050,000	\$90,586	\$222,634
Waterford	1,455	1,553	\$101,050,000	\$263,050,000	\$69,450	\$169,382
<b>Cumberland County</b>	265,612	281,674	\$17,267,300,000	\$41,809,450,000	\$65,009	\$148,432
<b>Maine</b>	1,274,923	1,328,361	\$72,302,650,000	\$170,336,350,000	\$56,711	\$128,230

*Source: Municipal Valuation Returns Statistical Summary, 2000, 2010 State Bureau of Taxation & U.S. Census, 2000, 2010.*

Table 9.5A, Bridgton's 2011 Taxable Valuations (Source John E. O'Donnell & Associates) shows that 92.8% of the tax base is residential and 7.2% is commercial. This weighting of the data base places an undue burden on the town's home owners. In 2010 the median value of a home was \$151,500, the median income \$42,420, the mil rate .01220 and the educational cost as a percentage of total expenditures 56.8%. The annual real property

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tax burden for a median income person owing a median home is \$1,848 or 4.4% of income. The education portion of burden is \$1,050 or 2.5%. (See Table 6) A review of the building permits from 2007 to 2011 showed that the valuation disparity is not shrinking.

**Table 9.5A  
Bridgton 2011 Taxable Valuations**

<b>Categories</b>	<b>Taxable Land Values</b>	<b>Taxable Buildings Values</b>	<b>Taxable Total Values</b>	<b>% of Total</b>
<b>Commercial</b>	\$21,595,909	\$48,110,785	\$69,706,694	<b>7.26</b>
<b>Residential</b>	\$192,808,368	\$262,428,962	\$455,237,330	<b>47.38</b>
<b>Waterfront / Waterfront Influence</b>	\$270,074,946	\$120,888,944	\$390,963,890	<b>40.69</b>
<b>Condominiums</b>	\$23,944,881	\$20,919,412	\$44,864,293	<b>4.67</b>
<b>Totals</b>	\$508,424,104	\$452,348,103	\$960,772,207	<b>100.00</b>

*Source: Town Assessor*

**Table 9.6  
Property Tax Burden Indicator**

	<b>Full Value Mil rate</b>		<b>Median Household Income (\$)</b>		<b>Median Home Value (\$)</b>		<b>Taxes Paid Median Home (\$)</b>		<b>Tax as % of Household Income</b>	
	<b>1999</b>	<b>2010</b>	<b>1999</b>	<b>2010</b>	<b>1999</b>	<b>2010</b>	<b>1999</b>	<b>2010</b>	<b>1999</b>	<b>2010</b>
<b>Bridgton</b>	16.76	12.20	27,923	42,420	96,403	151,500	1,615	1,848	5.79	4.4
<b>Casco</b>	13.28	10.85	34,930	51,630	113,597	113,597	1,508	1,233	4.32	2.4
<b>Denmark</b>	12.27	10.35	30,743	48,885	102,032	270,000	1,252	2,795	4.07	5.7
<b>Harrison</b>	-	9.75	-	41,622	-	148,750	-	1,450	-	3.5
<b>Naples</b>	13.11	11.60	37,174	52,824	121,242	179,000	1,590	2,077	4.28	3.9
<b>Raymond</b>	13.64	1.80	52,179	64,444	150,622	199,000	2,055	2,149	3.94	3.3
<b>Sebago</b>	12.88	13.35	36,780	48,281	112,318	187,500	1,446	2,503	3.93	5.2
<b>Sweden</b>	15.18	11.20	31,722	56,094	108,385	N/A	1,645	N/A	5.19	N/A
<b>Waterford</b>	11.51	12.75	31,156	41,339	82,119	207,250	945	2,264	3.03	6.4

*Source: 2001 Property Tax Burden Indicators for Municipalities in Maine, Maine Municipal Association. FY 2011 tax rates as reported to the State Revenue Department, 2010 Census Data for Cumberland & Oxford Counties by the State Planning Office.*

### Property Tax Burden

Table 9.7 compares the total personal property valuations and the per capita amount of Bridgton and surrounding towns. Personal property taxes are of concern because of their impact on business. Business personal property is valued at fair market value and the local mil rate applied to determine the property tax. It is advantageous for a business to locate in a town

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having a low rate. Mil rates vary widely between Maine towns. Table 6 reflects that in 2010 Bridgton's rate is higher than all but two other towns.

**Table 9.7  
Personal Property 1999/2010**

Town	Total Personal Property			
	1999		2010	
	Valuation	Per Capita	Valuation	Per Capita
Bridgton	\$15,052,204	\$3,074	\$13,021,100	\$2,499
Casco	\$19,159,200	\$5,523	\$13,627,161	\$3,642
Denmark	\$0	\$0	\$0	\$0
Harrison	\$7,420,100	\$3,194	\$2,231,900	\$854
Naples	\$7,420,100	\$2,138	\$6,250,866	\$1,614
Raymond	\$21,229,524	\$4,938	\$11,320,664	\$2,552
Sebago	\$327,292	\$228	\$2,039,283	\$1,186
Sweden	\$243,120	\$750	\$176,170	\$451
Waterford	\$15,386,286	\$10,575	\$1,319,757	\$850
Cumberland County	\$3,330,368,202	\$12,538	\$1,666,852,344	\$5,918
Maine	\$13,779,388,598	\$10,800	\$7,935,966,057	\$5,974

Source: Municipal Valuation Returns Statistical Summary, 2000, 2011 State Bureau of Taxation

This tax rate disadvantage can be mitigated in some situations utilizing the Business Equipment Tax Exemption (BETE) or Reimbursement (BETR) programs.

### Other Revenue Sources

Table 9.8 is a summary of the municipal revenues shown in greater detail in Table 3. The table shows that during the eleven years of 2007-2013 the real dollar revenue from taxes increased by 18.6%. This was necessitated because of a 18.6% and 923.4% reduction in intergovernmental and investment revenues respectfully.

**Table 9.8  
Summary of General Fund Municipal Revenues**

Revenues	2007	2008	2009	2010	2011	2012	2013	% Increase	
								2007 to 2013	2012 to 2013
Taxes	11,224,519	11,580,991	12,090,972	12,138,913	12,590,543	13,150,642	13,787,324	18.6%	4.8%
Licenses and Permits	97,310	90,178	74,897	72,556	94,455	91,485	91,286	-6.6%	-0.2%

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Inter governmental Rev	678,399	1,135,002	993,395	859,275	673,489	752,408	652,355	-4.0%	-13.3%
Charges for Services	298,246	312,576	260,816	243,432	269,930	220,310	255,340	-16.8%	15.9%
Investment Income	95,700	128,322	35,052	9,800	6,212	2,565	9,351	-923.4%	264.6%
Other Revenue	52,794	41,924	-28,821	69,310	116,223	128,114	115,330	54.2%	-10.0%
New funds									
Security Gains									
Transfer of funds									
<b>Total Revenue</b>	<b>12,446,968</b>	<b>13,288,993</b>	<b>13,426,311</b>	<b>13,393,286</b>	<b>13,750,852</b>	<b>14,345,524</b>	<b>14,910,986</b>	<b>16.5%</b>	<b>3.9%</b>

*Source: Bridgton's audited financial statements for 2008, 2010, 2012 & 2013*

Table 9.8A shows revenues as percentages of annual total revenues. The percentage of all revenues categories contributing to total revenues declined during the period 2000 to 2010 except Taxes and other revenue. The result is that property owners are increasingly bearing the burden of providing the revenue to fund town expenditures.

**Table 9.8A**  
**Summary of General Fund Municipal Revenues as % of Total Revenue**

Revenues	2007	2008	2009	2010	2011	2012	2013	Increase / Decrease	
								2007-2013	2012-2013
Taxes	90.2	87.1	90.1	90.6	91.6	91.7	92.5	2.5	1.0
Licenses and Permits	0.8	0.7	0.6	0.5	0.7	0.6	0.6	-21.7	26.8
Intergovernmental Rev	5.5	8.5	7.4	6.4	4.9	5.2	4.4	-19.7	-23.7
Charges for Services	2.4	2.4	1.9	1.8	2.0	1.5	1.7	-28.5	8.0
Investment Income	0.8	1.0	0.3	0.1	0.0	0.0	0.1	-91.8	-38.3
Other Revenue	0.4	0.3	-0.2	0.5	0.8	0.9	0.8	82.4	63.3
New funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Security Gains	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Transfer of funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
<b>Total Revenue</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

*Source: Bridgton's audited financial statements for 2008, 2010, 2012 & 2013*

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The 2011 Maine Annual Review Taxable Retail Sales Report shows a decline in taxable sales in the Sebago region (includes Bridgton) of 11.69% during the years 2006-2011. When this declined is combined with the previously stated review of building permits the conclusion must be drawn the business portion of the tax valuation is not being retained because of the loss of business real and personal property. This would lead to the conclusion that residential owners are providing most of the 91.6% of the revenues generated by taxes.

Licenses, permits and Charges for Services – These revenues reached peaks in the years 2006 through 2008 and then decreased until they again rose in 2011, dropping slightly in the subsequent two years. They are sensitive to economic changes. It is likely that recent economic contractions caused the reductions in recent years.

Some of the fees for items within these categories are set by the State, but mostly by the Town. A sample test comparing Bridgton’s fees to Fryeburg and Windham showed that the fees were nearly identical to Fryeburg but only approximately two thirds of Windham’s. The purpose of these fees is to recover the cost that the town expends in providing services to individual members of the community as compared to services that benefit all citizens. Regularly conducted analysis of the cost of providing the varied services is a tool to confirm that the fees are adequate.

Transfer Station is a town cost center which also charges for services. In the Town’s annual audited reports the revenue and expenditures associated are shown separately. Table 9.9 presents both together. Shown over a six year period is a loss of \$98,010 in revenues with only a corresponding decrease of \$47,937. The result is a net increase in the cost of operating the Transfer Station of \$50,073.

**Table 9.9  
Historical Transfer Station Revenues & Expenditures**

	2006	2007	2008	2009	2010	2011	2012*	2013*	Change 2006 - 2013	
									Amount of Decrease (-)	%
Revenues	192,980	178,839	207,516	155,917	139,975	94,970	84,386	73,394	-119,586	-50.8
Expenditures	698,396	712,241	698,615	693,553	659,805	650,459	597,639	560,962	-137,434	-6.9
<b>Net</b>	-	-505,416	-491,099	-537,636	-519,830	-555,489	-513,253	-487,568	17,848	9.9

Source: Bridgton’s audited financial statements for 2006, 2008, 2010, 2012 and 2013

\* In 2012 the demolition fee charge town residents was increased from .06 to .10% per pound. The rate for years before 2012 was 60% of the rate for 2012 and subsequent years. To compare the 2012 and 2013 to prior year’s 60% of the 2012 and 2013 revenues of \$140,644 and \$560,962 respectively (as shown in the audited financial statements) are reflected in Table 9.9.

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Alarming is the loss of income. Solid waste removal has become expensive but a profitable business. The Transfer Station must be considered as a revenue generator and a cost center. The decrease in revenues indicates that the emphasis on generating revenue has changed.

The Station has gone to a single sort system utilizing Ecomaine. It no longer sorts and sells various wastes except for metals. An annual user sticker fee is charged to town residents and property owners. This fee is the same for all and does not differentiate between users based on waste volume or their sorting of waste. Fees are charged for specific types of waste such as construction demo, wood, Freon and etc.

Bridgton is a member of Ecomaine and became a guarantor of debt to start it. In 2014 the debt will be retired. This will substantially reduce the fees charged the member committees reducing future solid waste expenditures.

Intergovernmental – The impact in the reduction in State revenue sharing and Federal programs of 65% or \$463,285 over the past 12 years has forced Bridgton to sharply examine its priorities. With State and Federal finances being difficult it is unlikely that intergovernmental revenues will improve.

Maine law requires that 5.0% of the State Government's monthly sales, corporate and personal income tax revenues be set aside to fund the municipal revenue sharing pool. Presently the state is not funding the pool with the required 5%. The funds in the fund are distributed to towns based upon a formula using three statistics; State valuation, tax assessment and estimated or actual population. For Bridgton, having a large valuation and small population, the sharing has progressively decreased until the amount being received is near the minimum. The only possible improvement is if the pool is fully funded. Presently there is legislation before the legislator that if passed will modify the sharing formula. The change may not benefit Bridgton.

Municipal rent is included within the intergovernmental revenue category. The lease of space to the county and district court is most of the rent. It has been sometime since the lease has been renegotiated. While having the court as a tenant provides some economic benefit to the town the rent should be comparable to prevailing commercial rates. If utilities are provided their cost should be recovered in addition to rent.

A second rental facility is the Town Hall, rented as a function hall. Again comparable rents, recovering utilities should be charged.

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## Additional Revenue Considerations

Purchasing – Presently purchasing of Town services and merchandise are done by department heads with limited regional coordination to achieve volume discounts. Control of purchases are managed only by a monthly comparison of actual purchases to those budgeted by the Board of Selectmen and the Town Manager. Additionally large purchases are discussed by department heads and the Town Manager. There is no formal purchasing policy.

Asset Management – The Town has significant assets comprised of operating funds and assets, trust funds and non-essential land.

Table 9.10 Trust Funds – reflect monies that have been placed in trust funds for specific purposes. By formula the income generated from the various trust are used for designated purposes. Moose Fund income is used to fund the maintenance of parks. The Bridgton Trusts are an amalgamation of many small funds.

The details of the Trust can be found in the Town’s audited financial statements. The Forestry Fund was established in 2012 with the intent of using earned income by formula for recreation.

**Table 9.10**  
**Trust Funds–June 30, 2013**

Moose Pond Fund Trust	1,383,362
Bridgton Trust Funds	1,052,054
Forestry Trust Fund (To be Named)	68,733
<b>Total</b>	<b>2,504,149</b>

*Source: Bridgton’s audited financial statements for 2013*

In addition the Town has several restrictive funds as reflected in Table 9.10A.

**Table 9.10A**  
**Restricted Funds–June 30, 2013**

Tax Incremental Financing(TIF)	\$162,718
Community Development Block Grants (CDBG)	257,127
Waste Water Capital Reserve	420,622
<b>Total</b>	<b>\$840,467</b>

*Source: Bridgton’s audited financial statements for 2013*

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The Tax Incremental Financing (TIF) fund that segregates and accumulates new incremental real estate tax revenues occurring because of increased valuations on improved properties within designated districts. A map of the existing TIF district is shown in the Appendix. These funds can only be spent to improve infrastructure within the district. As Portland Road, Main St. and Depot St are included within the district it is anticipated that the fund will grow quickly.

As an entitlement community Bridgton receives an annual set aside of Community Development Block Grants (CDBG). This Federal funds managed by the county are used to providing decent housing, a suitable living environment, and opportunities to expand economic opportunities, principally for low- and moderate-income persons.

Wastewater Capital Reserve is part of the sewer use fees that is accumulated for the repair, replacement or expansion of the sewer system.

Town Land – Owned land and buildings is Bridgton’s largest asset. Presently, as shown in Table 9.11 the total assessed value of these properties is \$9,025,174. Not reflected are properties that the town just received or will in the near future.

These properties are:

Pondicherry Park	66 acres of woodlands, wetlands and fields in the heart of downtown
BRAG ball fields	17.5 acres of recreational lands developed primarily for baseball
Memorial School	former school and undetermined acreage

Some categories in the table are required for town operations; “government use – solely,” parks, beaches, cemetery, island and parking. The remaining are real estate that the town is using but whose value may warrant the relocation of the use, a town operated water front campground, lots of varied sizes that generated no income except for periodic logging and tax acquired properties the town has not sold. The value of these categories is \$1,229,165, \$1,163,866, \$1,155,461 and \$401,582 for a total of \$3,950,074.

The first category is properties that are not required or can be relocated. Historic Town Hall is an example. It is presently used for town recreation purposes. Its sale with a continued private historic use could provide funding for a new community and recreational facility. The sale or trade of Town garage properties for land for a commerce center housing a new garage is another possible example. The Town should be open, flexible and creative in managing this category.

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In 2012, at the Selectmen's request, a study was conducted and a report prepared that recommended the competitive operation of the campground and the consideration of its sale and lot adjacent to it. The report showed that a sale would generate tax revenue that would be significantly in excess of operating the campground.

The final categories are \$1,121,537 of non-revenue producing land and \$401,582 of tax acquired lands. The potential development of the parcel in these two groups varies. Some can be sub-divided. If the 75% of the parcels were developed and the final value were four times the assessed values the new tax revenues created at the 2011 mil rate of .01220, would be \$55,746. Development of parcels in other categories could substantially add to these possible future tax revenues.

**Table 9.11  
Town Owned Properties by Categories**

St #	Street Name	Map/Lot	Type	Acres	Valuation			Description
					Land	Building	Total	
<b>Government use - Solely</b>								
305	S BRIDGTON RD.	0005-0027Z-0TL	lot	1	44,000	50,000	94,000	Fire Station
118	SANDY CREEK RD.	0005-0081-0TL	gov	21	123,500	165,285	288,785	Transfer station
31	WILLETT RD.	0009-0055-0TL	gov	15.94	152,505	469,410	621,915	Town garage
3	CHASE ST.	0023-0093-0TL	gov	2	170,000	1,505,000	1,675,000	Town Offices
923	N HIGH ST.	0054-0010-0012-TL	gov	1	86,000	36,504	122,504	Fire Station
	<b>Total</b>			<b>41</b>	<b>576,005</b>	<b>2,226,199</b>	<b>2,802,204</b>	
<b>Government use - Flexible/partial</b>								
99	PORTLAND RD.	0009-0079-0TL	gov	8.2	40,440	0	40,440	Town garage
	WAYSIDE AVE.	0014-0076-0000TL	lot	20.4	52,930	0	52,930	2 ac Sewer Fields 18 wooded
34	N HIGH ST.	0022-0006-TL	gov	0.48	39,486	38,899	78,385	Lot behind town hall
26	N HIGH ST.	0022-0015-TL	gov	1.17	95,700	250,000	345,700	Town hall
7	GIBBS AVE.	0023-0111-TL	gov	1.3	59,000	200,000	259,000	Fire Station & Stevens Brook Frontage
15	DEPOT ST.	0027-0005-TL	gov	3.58	107,160	282,450	389,610	Community Ctr
	WILLETT RD.	0027-0006A-TL	gov	6.25	38,100	25,000	63,100	Snow dump

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	<b>Total</b>			<b>41</b>	<b>432,816</b>	<b>796,349</b>	<b>1,229,165</b>	
<b>Beaches</b>								
681	S HIGH ST.	0005-0001-00TL	Beach	0.72	370,790	300	371,090	Woods Pond beach
24	HIGHLAND RD.	0022-0059-TL	Beach	0.69	370,580	0	370,580	Highland Lake beach/boat ramp
	SALMON PT RD.	0031-0001-0TL	Beach	0.3	462,600	0	462,600	Salmon Pt Beach
	<b>Total</b>			<b>2</b>	<b>1,203,970</b>	<b>300</b>	<b>1,204,270</b>	
<b>Beach/Campground</b>								
102	SALMON PT RD.	0031-0006-0TL	Beach / Camp ground	13.75	1,152,375	11,491	1,163,866	Salmon Pt Beach / Campground
<b>Parks</b>								
31	N HIGH ST.	0022-0036-TL	Park	0.46	31,035	0	31,035	Memorial Park
18	S BRIDGTON RD.	0005-0064-00TL	Park	2.77	33,924		33,924	Park on Willett Brook
20	HIGHLAND RD.	0022-0058-0TL	Park	2	413,000	0	413,000	At Highland Lake beach
	MAIN ST.	0022-0087-TL	Park	0.52	32,115	0	32,115	Shorey Park
507	MAIN ST.	0025-007475-TL	Park	1.83	32,150	4,759	36,909	Ball field
	DEPOT ST.	0027-0045-TL	park	0.5	23,800	0	23,800	Park on Stevens Brook
	N BRIDGTON RD.	0039-0021-0TL	Park	0.47	23,330	0	23,330	Corner lot
	<b>Total</b>			<b>8.55</b>	<b>589,354</b>	<b>4,759</b>	<b>594,113</b>	
<b>Cemetery</b>								
	POWER HOUSE RD.	0029-0011-TL	Cemetery	<b>10</b>	<b>42,600</b>	<b>5,783</b>	<b>48,383</b>	Cemetery
<b>Island</b>								
	ALPENBORG LN.	0013-0029-0TL	Island	<b>1</b>	<b>379,250</b>	<b>0</b>	<b>379,250</b>	Beaver pond Island
<b>Parking</b>								
24	HIGHLAND RD.	0022-0082-TL	Parking	0.5	33,800	2,534	36,334	Highland Lake beach parking
	HIGHLAND RD.	0022-0083-TL	Parking	0.16	17,360	0	17,360	Highland Lake beach parking
34	MAIN ST.	0023-0011-TL	Parking	0.51	24,660	0	24,660	Parking behind Chalmers

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	PARK ST.	0023-0025-TL	Parking	0.26	1,300	0	1,300	Behind post office
	PARK ST.	0023-0026-TL	Parking	0.23	1,150	0	1,150	Parking
	<b>Total</b>			<b>2</b>	<b>78,270</b>	<b>2,534</b>	<b>80,804</b>	
<b>Lots</b>								
	TOWN FARM RD.	0001-0032-OTL	lot	105.2	282,312	0	282,312	Gravel, wooded, 400' frontage Foster Pond
	GRIST MILL RD.	0003-0015-OTL	lot	19.16	53,592	0	53,592	Marsh area on Holt Pond
	WILLIS PARK RD.	0006-0016-OTL	lot	25.34	58,428	0	58,428	Wooded buildable lot(s) near Portland Rd
	WILLIS PARK RD.	0006-0018-OTL	lot	30.83	60,609	0	60,609	Wooded buildable lot(s) near Portland Rd
	S HIGH ST.	0009-0045A-OTL	lot	16.37	48,094	0	48,094	Wooded lot Behind hospital
	SALMON PT RD.	0010-0020A-OTL	lot	26.42	62,220	1,400	63,620	Salmon Pt rear lot
551	UPPER RIDGE RD.	0018-0042-0005ONT	lot	0	0	756	756	Lease for repeater tower
23	HIGHLAND RD.	0022-0085-TL	lot	1.4	74,000	0	74,000	Lot behind Saunders Mill
	NULTY ST.	0023-0024A-OTL	Lot	0.02	100	0	100	Behind post office
	GIBBS AVE.	0023-0113-TL	lot	0.11	14,728	0	14,728	Across from fire station
	MAIN ST.	0024-0093-TL	lot	12.99	33,538	0	33,538	Behind laundry on Stevens Brook
	MOORE ST.	0025-0058-TL	lot	0.1	14,140	0	14,140	Small corner lot
	MAPLE ST.	0028-0007-TL	lot	2.3	33,360	0	33,360	Behind laundry on Stevens Brook
	KANSAS RD.	0028-0036-TL	lot	1.72	31,600	0	31,600	Wood lot on Stevens Brook
	KANSAS RD.	0029-0008-TL	lot	1.58	30,900	0	30,900	Wood lot on Stevens Brook
	HARRISON RD.	0039-0056-OTL	lot	0.12	1,200	0	1,200	Small corner lot
	N HIGH ST.	0054-0010-OTL	lot	22	57,000	0	57,000	large lot around fire station
	CEDAR DR.	0060-0001-OTL	lot	9.33	41,796	0	41,796	Limited Moose Pond, Pleasant Mtn views
	CEDAR DR.	0060-0022-OTL	lot	0.91	99,436	0	99,436	lot
	N HIGH ST.	0060-0024-OTL	lot	2.75	122,328	0	122,328	Corner lot

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								Cedar - N High
	<b>Total</b>			<b>281</b>	<b>1,119,381</b>	<b>2,156</b>	<b>1,121,537</b>	
<b>Tax Acquired</b>								
134	SANDY CREEK RD.	0005-0078	TA	2.6	49,720	61,635	111,355	Bad house subdivide-able wooded lot
	HIO RIDGE RD.	0008-0010	TA	64	72,540	0	72,540	cleared acreage
	HIO RIDGE RD.	0008-0023D	TA	40.3	65,600	0	65,600	cleared acreage
	WILDWOOD RD.	0009-0012A	TA	1.16	28,800	0	28,800	House lot
	WILDWOOD RD.	0009-0020-0TG	TA	28	9,643	0	9,643	Logged lot in tree growth
	SUMMIT DR.	0018-0031-0084	TA	5.01	40,612	0	40,612	Lot between Highland Lake & Stearns Pond
	QUARTERHORSE RD.	0019A-0040	TA	2.79	33,948	0	33,948	House lot
	SUNNYBROOK FARM RD.	0019A-0046	TA	7.07	39,084	0	39,084	House lot
	<b>Total</b>			<b>151</b>	<b>339,947</b>	<b>61,635</b>	<b>401,582</b>	
	<b>Total of all Town land</b>			<b>549</b>	<b>5,913,968</b>	<b>3,111,206</b>	<b>9,025,174</b>	

Managed Forestry —As part of a forestry program, managed for the Town by Integrated Forest Management (IFM), the town properties have been logged. As previously mentioned this program generated approximately \$82,500. Future cutting is unlikely to occur until 2016 or after. However, should the town elect to sell parcels each should be review for possible forestry revenues prior to a sale.

Historically, the Town has sold land by auction without any development or subdivision. After approval of a sale by citizens there is no restriction on how properties may be sold. Subdivision and the traditional use of realtors usually generate the largest revenues through advertising and sales efforts over time.

Grants, Gifts and Other – The Town department heads have done a commendable job of applying and receiving grants. A vast quantity of grants is offered by private and public institutions. To maximize receipt of them requires research and the ability to write grants.

In the past the Town has received gifts most often in the form of assets. Colleges, museums and charitable institutions seek out endowments to fund specific programs.

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While the Town cannot expect to fund the general revenues the possibility does exist to seek out endowments for community education and recreation programs, parks, walking trails. Solicitation efforts for gifts from full and part time residents for specific memorials named after the donor might provide an additional source of funding.

Impact fees – generate revenue to provide funding for cost incurred in increasing services because of growth. They are charged developers of new projects for anticipated new fixed cost that the Town may incur because of their actions. Such cost may include town equipment, infrastructure, new schools and other items not previously required. Such fees are not for replacement of existing equipment and facilities. Impact fees should be developed carefully and therefore minimized by a long term plan that anticipates increases in fixed cost because of growth.

## Liabilities

The following is a summary of the various Town liabilities by type as of June 30, 2013:

### Long Term

2009 Fire truck capital lease	\$ 126,180
2012 Photocopiers	8,928
2013 Tanker fire truck	<u>75,000</u>
Total Long Term	\$ <u>540,484</u>
Overlapping Debt (Town's share of other government's debt)	
Cumberland County	\$ 924,632
SAD #61	<u>6,132,490</u>
Total Overlapping Debt	
<u>\$7,057,122</u>	

## Human Resources

Bridgton is comprised of full and part time residents with diverse backgrounds and experiences. Often these are in business and finance. The Town has a knowledgeable and capable staff. However, existing responsibilities restrict development of expertise and undertaking work in specialized financial areas. Inclusion of residents on specialized committees is a means of augmenting the Town staff for the betterment of the Town. The Investment, Budget and Sewer Committees are examples of this marriage. Making citizens participants in town management causes them to understand and contribute most often at no cost. While drawing on citizens can be needed in many areas the creation of a Finance Committee to develop an expertise in revenue sources and making recommendation to the Board of Selectmen for means of obtaining them is a current need.