

## Governmental and Fiscal Capacity

### Chapter 12: Governmental and Fiscal Capacity

**Goal:** To plan for, finance, and develop an efficient system of public services in Clinton to accommodate any anticipated growth and economic development.

**Purpose:** The purpose of this section is to describe the town's fiscal situation and predict whether the town can meet future growth and development.

**Tax Base:** The property tax is the main source of revenue for the town. All land and structures in the town are assigned a value based upon current market conditions. Certain forms of personal property such as business and industrial equipment are also assigned a value for taxation. The total value of all taxable property, including land buildings and personal property, is called the municipal evaluation, which is based upon the State of Maine Evaluation. The money required to finance town government is called the tax commitment. The town also receives funding from state and federal grants and programs. The town's fiscal year runs from July 1 to June 30.

Table 12-1 below shows the most recent available State Evaluation, Municipal Evaluation, and Local Mil Rate for the Town of Clinton from 2015-2019. The Town of Clinton has not gone through a Reevaluation for 16 years, as of the writing of this document. Because of this, the town is not receiving the full benefit of the State of Maine revenue sources seen in Table 12-4. In addition from 2017-2019 the mil rate remained the same. However, to accomplish this, money had to be transferred from the Town's undesignated surplus account to lessen the tax burden for the citizens.

Years	State Evaluation	Municipal Evaluation	Local Mil Rate
2015	\$181,450,000	\$166,578,079	18.30
2016	\$187,900,000	\$175,820,520	18.70
2017	\$192,200,000	\$179,080,320	19.40
2018	\$196,950,000	\$180,420,555	19.40
2019	\$202,500,000	\$184,866,485	19.40

**Debt Service:** Currently, the Town of Clinton has four items that fall under Debt Service. The debt service for Clinton does not exceed the guidelines of the statutory limits and the Maine Bond Bank recommended limits (7.5% or 15% of the municipality's last full state evaluation). Following are the items:

- Self-contained breathing apparatus (SCBA) which has one more payment of \$38,580.
- One police cruiser with one payment due of \$7,764.
- One fire truck with one payment left of \$27,742.
- One road bond with an annual payment of \$185,764. Bond matures in 2024.

Maine School Administrative District (MSAD) 49, to which Clinton belongs, has no debt service. Therefore, there is no liability to the town of Clinton.

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Table 12-2 below shows trends in the different categories of Clinton’s budget. However, because budgets lines were moved from one category to another over the years and new categories developed, the table shows “NA” when this occurred. This skewed the percentage of change for some categories. The total change over the five years is accurate and the most relevant figure. There are categories in the budget which are now contracted services such as highway maintenance, winter maintenance, paving, and mowing. At the time of this writing the 2020-2021 budget as shown was proposed and had not been accepted by the citizens.

### Clinton’s Expenditures:

<b>Table 12-2</b> Clinton’s Budget Summary Expenditures Source: Annual Reports						
Category	Years					% Change 2016-2021
	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	
Administration	267684	274377	282173	303302	347708	30.0
Town Hall	15748	14700	16900	16501	16203	2.9
Assessing/Code Enforcement	50586	71034	75026	NA	NA	NA
General Asst	27039	26863	26863	17958	16871	(38.0)
Fire/Rescue Department	390629	420324	454428	385708	401366	2.7
Police Department	243160	289084	301578	321712	320460	31.8
E-911 Fire PD Dispatch	17417	17731	18109	NA	NA	NA
Animal Control	12107	12107	13357	NA	NA	NA
Highway Department/Maint	148737	153737	153737	159900	168233	13.0
Snowplowing/Winter Maint	289075	285517	285517	336176	348000	20.0
Transfer Station	316320	314486	326742	259844	287027	(9.3)
Library	63998	64836	66258	69435	76774	20.0
Street Lights	18700	18700	18500	NA	NA	NA
Debt Service	225723	225723	221269	259849	259849	15.0
Insurance	145200	115300	116800	104129	123985	(15.0)
Boards	700	700	NA	NA	NA	NA
Non-profits	20546	20546	20546	20850	20850	1.5
Recreation	13454	6800	6800	12915	13950	3.7
Cemeteries	21882	9096	9199	8061	6158	(71.9)
Elections	11633	11633	12178	10656	10568	(9.2)
Nuisance Property	25000	25000	17500	NA	NA	NA
Road Paving	150000	150000	150000	150000	200000	33%
Mowing	NA	15100	16100	NA	NA	NA
Technology	NA	NA	NA	30454	32398	NA
Code Enforcement	NA	NA	NA	50411	58855	NA
EMA/Communications	NA	NA	NA	24784	62058	NA
Town Services	NA	NA	NA	110140	109386	NA
<b>Total</b>	<b>2475338</b>	<b>2543394</b>	<b>2609580</b>	<b>2652783</b>	<b>2880698</b>	<b>16%</b>

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Table 12-3 below shows the town’s revenue from the State of Maine. Some of the years' revenue was not received in some categories, so the column shows “NA”. The calculations on percentage of change are real numbers calculated between 2016-2017 and 2019-2020. Figures from 2020-2021 are estimates from the town’s budget; however, the total percentage change is relevant.

<b>Table 12-3</b>						
Clinton’s Budget Summary State of Maine Revenues						
<b>Source: Annual Reports</b>						
<b>Category</b>	<b>Years</b>					
	<b>2016-2017</b>	<b>2017-2018</b>	<b>2018-2019</b>	<b>2019-2020</b>	<b>% Change 2016-2020</b>	<b>2020-2021 Estimate</b>
Business Equipment Tax Exemption	NA	43523	75222	65506	NA	65000
Tree Growth	NA	10781	7794	9119	NA	7500
Veterans	1716	2386	2670	1638	(4.5)	1800
General Asst	5542	6834	1345	4273	(22.9)	10360
State Revenue Sharing	124617	123757	174316	214281	72.0	290694
Road Assistance	54548	55416	54956	56248	3.1	56248
Homestead Exemption	111559	154205	190676	189895	70.2	230475
<b>Total:</b>	297982	396902	506979	540960	81.5	662077

Table 12-4, Clinton’s Budget Summary Municipal Revenues, below shows the municipal revenue from Clinton’s departments and licensing fees. Some of the categories say “NA” because some budget lines within categories changed over the 5-year span; therefore, these percentages were not calculated for those categories. The Bank Interest/ Investments category is skewed because monies were added that had not been tracked before. The years from 2016-2020 reflect actual revenue; however, it is what had been received before the Town Meeting. Percentage of Change was calculated between 2016-2017 and 2019-2020. Motor Vehicle Excise Taxes comprise the second largest revenue stream after property taxes. The years 2020-2021 are the budget estimates as of the writing of the plan. The individual percentage changes for the categories may be skewed due to changes in budget lines; however, the total percentage change is relevant.

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### Clinton's Revenues:

<b>Table 12-4</b>						
Clinton's Budget Summary Municipal Revenues						
Source: Annual Reports						
Category	Years					
	2016-2017	2017-2018	2018-2019	2019-2020	% Change 2016-2020	2020-2021 Estimate
Property Tax Interest	22178	17431	17920	12706	(42.7)	20000
Bank Interest/ Investments	4427	9838	22026	17134	287.0	30000
Boat Excise	1931	393	557	590	(69.4)	3000
Motor Vehicle Excise	500313	451956	462875	455030	(9.1)	665000
Hunting/Fishing	652	451	497	464	(28.8)	780
Rec Vehicle Fee	656	396	463	399	(39.2)	825
Snowmobile Reg	1072	1701	1377	1470	37.1	1700
Dog License	550	496	569	745	35.5	600
Motor Vehicle Agent Fee	10165	7609	7983	8842	(13.0)	13000
Property Lien Fee	12446	10943	12240	11439	(8.1)	14000
Cable TV Fee	19316	15758	17708	17494	(9.4)	23378
Farm Solid Waste	50	NA	NA	NA	NA	NA
Plumbing Insp	3035	3235	3395	2240	(26.2)	4500
Land/Building Permit	2090	3435	4110	2605	24.6	4000
Copier	308	248	391	363	(50.0)	600
FAX Machine	418	308				
Vital Records	2668	1586	2038	2044	(23.4)	3000
Banquet Hall	1030	920	970	1040	1.0	1500
Weapons Permit	192	150	85	35	(81.8)	150
Late Dog Fees	1790	1475	625	255	(85.8)	1000
Animal Control Officer Fees	847	799	880	744	(12.2)	800
Bounced/Bad Check Fees	150	60	115	90	(40.0)	150
First Park	NA	NA	10046	NA	NA	NA
Administrative Miscellaneous	9695	124950	16438	22436	131.4	3500
Fire/Rescue	69691	67153	125379	112022	60.7	130000
Misc. Revenue	14	40	NA	NA	NA	NA
Police Reports	24410	10	71	NA	NA	50
Library	572	537	390	399	(30.2)	700
Transfer Station	156406	150468	91880	130002	(16.9)	135000
Cemeteries	544	3040	1040	1325	143.6	750
EMA /FEMA Reimbursement	NA	NA	22388	4477	NA	NA
Parks and Rec	NA	NA	3200	2295	NA	3000
Police Misc	NA	731	946	450	NA	1000
Highway Misc	NA	17949	NA	NA	NA	NA
Investment Income	NA	215	NA	NA	NA	NA
Town Property Disposition	NA	NA	NA	400	NA	NA
Fire Department Miscellaneous	NA	NA	NA	1040	NA	NA
Police Forfeitures	NA	NA	NA	5665	NA	NA
<b>Total:</b>	847616	894281	828602	816240	(3.7)	1061983

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**Current Capital Investment Plan:** In the past several years the town has used the Reserve Account and the 5-Year Capital Improvement Account to address its Capital Investments. Table 12-5 is a suggested Future Capital Invested Plan spread over a ten-year period. In order for this future plan to be successful, consistent policies need to be adopted which address how Capital Equipment will be replaced, such as procuring new versus used equipment, or leasing equipment.

The 2020-2021 Capital Investment Plan, pending voter approval, consists of the following items and balances:

- Replace Fire Department's Engine Three with a balance of \$75,456.34
- Fire Department's Heart Monitors replacement with balance of \$7,278.48
- Town Hall Reserve with a balance of \$5,000
- Assessor's Mapping with a \$2,400 balance
- Police Department Cruisers reserve with a zero balance

**Recommended Future Capital Investment Plan:** The Comprehensive Planning Committee recommends the town develop a true, comprehensive Capital Investment Plan. The suggested plan below is a starting point for development by the Budget Committee, Town Manager, and the Selectmen.

**Notes are for Table 12-5, Recommended Future Capital Investment Plan below:**

Note 1: Used backhoe to be purchased 2020-2021; replacement in 2027-2028

Note 2: Three police cruisers to be replaced every three years and procured at the beginning of year four. In the summer of 2020 the cruisers are model years as follows: Cruiser 1 Model Year 2016, Cruiser 2 Model Year 2017, and Cruiser 3 Model Year 2020. Cruiser 3 will be replaced with money in balance forward and budget year 2020-2021.

Note 3: This is for capital maintenance and major upgrades of \$15,000 and up for review annually. This does not include the Brown Memorial Library because the Library Board is responsible for maintenance and upgrades.

Note 4: This is for capital investment for new construction/replacement of town-owned facilities.

Note 5: These figures could be reduced because of regional grants, replacement time extensions, purchasing used equipment, and leasing of vehicles. Eng 4 was calculated on purchase of the used forestry vehicle. The fire engines were calculated on replacement every 25 years and the ambulances were calculated on a 20-year replacement timeframe.

Note 6: Computer replacement was calculated on a four-year replacement cycle.

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<b>Table 12-5 Recommended Future Capital Investment Plan</b>													
Item	Balance Forward	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	2030-2031	Note
Heart Monitor Replace	\$7,278												
Eng 3 1994 Pumper Reserve	\$50,456	\$25,000	\$126,514	\$126,514	\$126,514 X	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000	5
Eng 1 2005 Pumper Replace	0	0	\$120,000	\$120,000	\$120,000	\$120,000	\$120,000 X	\$24,000	\$24,000	\$24,000	\$24,000	\$24,000	5
Eng 2 2014 Pumper Replace	0	0	\$31,500	\$31,500	\$31,500	\$31,500	\$31,500	\$31,500	\$31,500	\$31,500	\$31,500	\$31,500	5
Eng 4 2003 Forestry	0	0	\$8,750	\$8,750	\$8,750	\$8,750	\$8,750	\$8,750	\$8,750	\$8,750 X	\$4,000	\$4,000	5
Rescue 6 Amb 2004 Replace	0	0	0	\$66,666	\$66,666	\$66,666 X	\$11,250	\$11,250	\$11,250	\$11,250	\$11,250	\$11,250	5
Rescue 5 Amb 2015 Replace	0	0	\$13,333	\$13,333	\$13,333	\$13,333	\$13,333	\$13,333	\$13,333	\$13,333	\$13,333	\$13,333	5
Town Bldgs Maintenance	\$5000	\$5,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	3
Town Bldgs New const	0	0	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	4
Backhoe Replace	0	\$50,000 X	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000 X	\$10,000	\$10,000	\$10,000	1
Cemetery Capital Reserve	\$23,368	0	0	0	0	0	0	0	0	0	0	0	
Assessor's Mapping	\$2,400	0	\$1,100	\$1,100	\$1,100	\$1,100	\$1,100	\$1,100	\$1,100	\$1,100	\$1,100	\$1,100	
Reevaluation Capital Reserve	0	\$200,000 X	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	X
Police Cruiser 1 Replace	0	0	\$10,000	\$10,000 X	\$10,000	\$10,000	\$10,000	\$10,000 X	\$10,000	\$10,000	\$10,000	\$10,000	2
Police Cruiser 2 Replace	0	0	\$10,000	\$10,000	\$10,000 X	\$10,000	\$10,000	\$10,000	\$10,000 X	\$10,000	\$10,000	\$10,000	2
Police Cruiser 3 Replace	\$771	\$38,000 X	\$10,000	\$10,000	\$10,000	\$10,000 X	\$10,000	\$10,000	\$10,000	\$10,000 X	\$10,000	\$10,000	2
Computer Hardware/ Software	0	0	\$7,333	\$7,333	\$7,333 X	\$6,250	\$6,250	\$6,250	\$6,250 X	\$6,250	\$6,250	\$6,250	6

X's in the column represent the years forecasted for replacing the piece of equipment.

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### Issues:

The Capital Investment Plan needs to be updated and expanded to a ten-year plan.

The latest municipal reevaluation was conducted 16 years ago. In the 2020-2021 budget the local evaluation will only be certified at 80% of the State of Maine's evaluation. The result is loss of State revenue reimbursements for the town and school administration. This also causes an increased tax burden to taxpayers.

**Policies:** Minimum policies required to address state goals:

- (1) To finance existing and future facilities and services in a cost effective manner.
- (2) To explore grants available to assist in the funding of capital investments within the community.
- (3) To reduce Maine's tax burden by staying within LD 1 spending limitations.

**Strategies:** Minimum strategies required to address state goals:

- (1) Explore opportunities to work with neighboring communities to plan for and finance shared or adjacent capital investments to increase cost savings and efficiencies.

**Capital Investment Plan:** The comprehensive plan must include a capital investment plan that:

- (1) Identifies and summarizes anticipated capital investment needs within the planning period in order to implement the comprehensive plan, including estimated costs and timing, and identifies which are municipal growth-related capital investments;
- (2) Establishes general funding priorities among the community capital investments; and
- (3) Identifies potential funding sources and funding mechanisms.

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**Issues identified by the Comprehensive Planning Committee with Strategies:**

<b>Issue</b>	<b>Strategy</b>	<b>Responsibility</b>	<b>Action Party</b>	<b>Coordinator</b>	<b>Implementation</b>
<b>Issue 12-1</b> The Capital Investment Plan needs to be expanded to 10 years	Use Table 12-5 over the next 10 years as determined by the Budget Committee and Selectmen in the budget process	Selectmen	Town Manager	Budget Committee and Department Heads	Start 2021 during Budget process
<b>Issue 12-2</b> Ensure municipal reevaluations are completed every 10 years	After the long overdue reevaluation, develop a system to ensure reevaluation is completed. See Table 12-5	Selectmen	Town Manager	Town Assessor and Budget Committee	Start 2021