

MEMORANDUM

TO: M.O.R.C.
FROM: Revenues Subcommittee
RE: Revenue Generation
DATE: March 1, 2010

The Revenues Subcommittee was comprised of Tim Thompson, Glen Kersteen, Matt Sturgis and David Sherman. We met on November 11 and 18, 2009 and January 28, 2010.

We identified a number of possible revenue sources. It should be noted since the Town Council is already pursuing some of these, the Committee felt that a simple endorsement of the idea (i.e., that the Council should explore it) was all that was necessary.

- (1) Ft. Williams. We discussed the previously proposed pay-and-display system at the Fort. Other revenue sources that could be enhanced or added to that facility that may be worth exploring: (a) gift shop (expansion); (b) rental of Officer's Row buildings – need to ease current restrictions; (c) kiosks for vendors or a concession stand. Again, the Town Council is already actively pursuing this issue. We believe that M.O.R.C. should endorse the active pursuit of revenues at the Fort.
- (2) Transfer station. We also discussed the possibility of imposing a fee for users, either on a pay-per-bag basis or charging for a residential permit. The Town Council has already included the consideration of a pay-per-bag system among its top goals for 2010, so we do not believe it is necessary to expend more time on this issue. Although some members of the Subcommittee did not necessarily favor a pay-per-bag system, we felt that M.O.R.C. should send a memorandum to the Council, stating its support for exploring this idea.
- (3) Undesignated surplus. The current policy is 8.5% (one month's worth of overall revenue). We suggest that the Town Manager consult with bond counsel to ensure that Cape Elizabeth ought to continue maintaining the surplus at 8.5%. This is at least worth asking. However, even if the decision were to have a lesser surplus, that would only result in a "one-time" injection of revenues.
- (4) Management of the Undesignated Surplus. The policy is available on-line. However, committee members thought it worth a look to determine if there were ways to raise more revenues from the management of the surplus.

The Subcommittee also reviewed the list of recommendations resulting from the Curtailment Committee public workshop, in which citizens were asked to brainstorm any ideas for revenue generation. Some of the suggestions found support among members of the Subcommittee. Caveat – many of the proposed ideas must be addressed by the School Board, so the Subcommittee would like there to be a discussion of whether it's even appropriate for M.O.R.C. to weigh in here.

- (1) Grant Writing. The subcommittee believes that grants should be explored and the Town should develop a strategy for effectively going after grants (to the extent such a strategy is not already in place).
- (2) Tax-Deductible Donations. The subcommittee recognizes that there are already a number of organizations in Cape Elizabeth that raise money for various civic projects, including the Cape Elizabeth Land Trust, the Cape Elizabeth Education Foundation, the Fort Williams Charitable Foundation, the Turf Field Project, the parent associations and booster groups, to name just a few. Perhaps special projects should be identified (independently or in conjunction with these organizations) to determine if there would be an individual or group or organization that would get behind it and donate the funds to make it happen.
- (3) Sponsorships. When a new facility is constructed (e.g., the Turf Field), there may be an opportunity to sell naming rights to a local or even national business. In addition, perhaps a group could be formed to identify other public assets that could be the subject of a naming opportunity. A lot of attention was focused on “athletic sponsorships,” but that is ultimately a decision of the School Board.
- (4) Increased Student Parking Fees at the High School. Again, this may not be a huge generator of revenues, but it may be worth asking the School Board to explore this. As a general rule, the Subcommittee was less interested in ideas that would have only a modest impact on the bottom line.
- (5) Adult Education Classes / Renting of School Facilities. Although a School Board issue, the subcommittee thought this ought to be pursued.
- (6) Boosters. Two of the subcommittee members favored generating more revenues from the Booster organizations. One member was vehemently opposed to this idea.
- (7) Hannaford Field Revenues. There was a question posed as to how these revenues are allocated.
- (8) Buses. Two subcommittee members favored charging for buses. One member opposed this idea on the grounds that the “parent tax” is already an issue for many parents of school-aged children.
- (9) Tuition for International Students. This may be worth pursuing, but is a School Board issue.

- (10) Pool Fees. The subcommittee favors a revisiting of pool revenues, and the Town Council has already taken steps in this direction.

The Committee also explored, and rejected, the following ideas:

- (1) Excise Taxes. It did not appear that the Town was in a position to boost excise tax revenues, although we discussed the possibility of enticing businesses to excise their “fleet” in Cape Elizabeth. Given that only a few businesses are domiciled here, and there is not an abundance of commercial space within the existing business districts and Town Center district, this did not appear to be a realistic option.
- (2) Revenue Generating Ideas (from the Curtailment Workshop) Not Endorsed by the Subcommittee. Ideas that did not find support among Subcommittee members included: (a) increasing charges to participate in sports; (b) increasing fees for participation in extra-curricular activities. The subcommittee also had no consensus on the notion of privatizing the schools (like Thornton Academy), but felt that this was an issue for the School Board to explore anyway.