
CHAPTER 1

GOVERNANCE AND ADMINISTRATION

TOWN GOVERNMENT

Waldoboro operates under a Selectmen/Town Meeting/Manager form of government.

Office of the Selectmen. The Waldoboro Board of Selectmen is the municipality's executive branch as well as the agent of the municipality's legislative branch, the Town Meeting.

The five Selectmen are elected at large for three-year staggered terms. Two are elected each year, except for the third year when only one is elected. Each June, after new members are sworn in, the members elect a member Chairman. The Chairman serves for one year and presides at the regular and special Board meetings.

Office of Town Manager. The Office of the Town Manager is responsible for providing general management and administrative oversight of all operations, programs and services, including capital projects offered by the municipality. Management responsibilities include service planning, monitoring and control, and program evaluation.

The office operates under the general leadership and direction of the Board of Selectmen to accomplish program goals and objectives established by the Board.

Major program oversight responsibilities include community services, economic development, emergency medical services, fire services, police services, public works, solid waste management, general operations and utilities (water system, if the Town acquires the Waldoboro Water Company).

The Office also provides oversight of administrative functions such as assessing services, financial management, legal services, municipal information systems, municipal relations and personnel management.

Issues

1. **Code of Ordinances.** Waldoboro has adopted a number of municipal ordinances governing various aspects of municipal government including land use. There is a need to consider consolidating these into a single code of ordinances.
2. **Form of Town Government.** Waldoboro has operated efficiently for many years with a selectmen/manager/town meeting form of government. As the Town continues to grow, however, it may be necessary to evaluate whether this is the most efficient form of governance. Other alternatives include a council/manager form of government, a council/manager/town meeting form of government, or a council/mayor/administrator form of government.

There is no formula for determining what form of government is best for any given

community. The size of the community does not dictate the form of government. Tables 1-1 through 1-4 below provide information on the form of government used by other municipalities.

Table 1-1 includes a list of communities with a 1990 population of over 5,000 that have Waldoboro's form of government (selectmen/manager/town meeting). The information in Table 1 seems to imply that it is possible to continue to function with this form of government with populations as high as 9,800.

Table 1-2 includes a list of municipalities with a council/manager form of government. **Table 1-3** is a list of municipalities with a council/manager/town meeting form of government. Typically, under this form of government the town meeting is used solely for the purpose of approving an annual budget. All other decisions are made by the council. In a sense, this form of government is a cross between the council/manager and the selectmen/manager/town meeting forms of government.

Table 1-4 is a list of municipalities with a council/mayor/administrator form of government. With the exception of Hallowell, all of the municipalities included in the table are much larger than Waldoboro. This form of government has worked well for some of the communities in the table. For others it has caused serious problems resulting in inconsistent and constantly changing policies.

Table 1-1

**Municipalities over 5,000 Population with Selectmen/
Town Meeting/Manager Form of Government**

Municipality	1990 Population
Camden	5,060
Farmington	7,436
Jay	5,080
Kennebunk	8,004
Lisbon	9,457
Rumford	7,078
Skowhegan	8,725
Topsham	8,746
Wells	7,778
York	9,818

Source: Maine Municipal Association, Rothe Associates, 1997.

Table 1-2

**Municipalities with Council/Manager
Form of Government**

Municipalities Larger Than Waldoboro		Municipalities Smaller Than Waldoboro	
Municipality	1990 Population	Municipality	1990 Population
Auburn	24,309	Calais	3,963
Bath	9,799	Dexter	4,419
Brewer	9,021	Eastport	1,965
Brunswick	20,906	Fort Fairfield	3,998
Bucksport	4,825	Mars Hill	1,760
Cape Elizabeth	8,854	Pittsfield	4,190
Caribou	9,415		
Cumberland	5,836		
Ellsworth	5,975		
Falmouth	7,610		
Freeport	6,905		
Gardiner	6,746		
Gorham	11,856		
Hampden	5,974		
Houlton	6,613		
Lincoln	5,587		
Millinocket	6,956		
Old Orchard Beach	7,789		
Old Town	8,317		
Orono	10,573		
Portland	64,358		
Rockland	7,972		
Scarborough	12,518		
South Portland	23,163		
Winslow	7,997		
Winthrop	5,956		

Source: Maine Municipal Association and Rothe Associates, 1997.

Table 1-3

**Municipalities with Council/Manager/Town Meeting
Form of Government**

Municipalities Larger Than Waldoboro		Municipalities Smaller Than Waldoboro	
Municipality	1990 Population	Municipality	1990 Population
Fairfield	6,718	Ashland	1,542
Gray	5,904	Baileyville	2,031
Kittery	9,372	Bar Harbor	4,443
Oakland	5,595	Bradley	1,136
Presque Isle	10,550	Fort Kent	4,268
South Berwick	5,877	Glenburn	3,198
Standish	7,678	Hermon	3,755
Windham	13,020	Mechanic Falls	2,919
Yarmouth	7,862	Van Buren	3,045
		Veazie	1,633
		Washburn	1,880

Source: Maine Municipal Association and Rothe Associates, 1997.

Table 1-4
Municipalities with Council/Mayor/Administrator
Form of Government

Municipality	1990 Population
Augusta	21,325
Bangor	33,181
Belfast	6,355
Biddeford	20,710
Hallowell	2,534
Lewiston	39,757
Saco	15,181
Waterville	17,173
Westbrook	16,121

MUNICIPAL FINANCES

Evaluating Financial Condition

Prior to adopting and implementing a capital improvement program it is first essential to analyze the fiscal capability of the Town to support the program. The number of public improvements that the Town of Waldoboro will be able to finance will depend on: (1) the level of recurring future operating expenditures; (2) the current level of debt (bonded indebtedness); (3) the legal limit of debt it may incur (bonded capacity); and, (4) any potential sources of additional revenues available for capital improvement financing.

Valuation and Taxes

Municipalities in Maine derive a significant portion of their revenues from property taxes, and Waldoboro is no exception. Therefore, a review of the Town's finances should logically start with an overview of property valuations and taxes, and how these have changed over the years.

Table 1-5 contains a summary of the local assessed valuation, the State valuation, the ratio of assessed valuation to full valuation, the total tax assessment, and the tax rate for the 10 year period 1987-1996. State valuation figures are calculated using uniform assessment averages for the State as a whole and are compiled by the State Bureau of Property Taxation. State valuation figures for any given year are two years old, and thus do not reflect recent changes in overall property values. The municipal valuation is based on the Town's calculation of the total value of its real and personal property.

Table 1-6 shows that during the 1987-1996 period, Waldoboro's total State valuation rose from \$132.8 million to \$212.1 million, a gain of \$79.2 million, or 60%. During the same period, the Town's valuation rose by an even greater amount, increasing from \$106.8 million to \$214.0 million, for a gain of \$107.2 million, or 100%. Waldoboro's tax assessment (the total amount of taxes assessed against real estate and personal property) rose from \$1.5 million in 1987 to \$2.9 million in 1996. This was an increase of \$1.4 million, or 88%.

Table 1-5

Historical Valuation and Taxes

Year	Assessed Valuation	State Valuation	Ratio of Assessed Value to Full Valuation	Tax Assessment	Tax Rate
1987	\$106,886,600	\$132,850,000	0.805	\$ 1,582,135	\$14.80
1988	140,542,300	158,600,000	0.886	\$ 1,742,725	12.40
1989	175,908,600	197,300,000	0.892	\$ 1,934,995	11.00
1990	181,868,500	215,300,000	0.845	\$ 2,055,114	11.30
1991	187,614,700	223,250,000	0.84	\$ 2,307,661	12.30
1992	204,720,000	207,850,000	0.985	\$ 2,374,752	11.60
1993	208,793,300	211,700,000	0.986	\$ 2,547,278	12.20
1994*	207,897,300	-	-	\$ 1,372,122	6.60
1995	210,440,800	212,100,000	0.992	\$ 2,798,863	13.30
1996	214,050,000	223,150,000	0.959	\$ 2,976,989	13.90

*Fiscal year ended June 30, 1996. Figure represents 6 months only.

Growth in assessed valuation increased at an annual rate of 10% during this ten year period. Approximately 7-8% of this growth is attributable primarily to the appreciation of property values and the remaining 2-3% of the annual growth represents new construction or renovations.

The growth in assessed value has acted in part to stabilize the tax rate during the past ten years. The tax rate was \$14.80 in 1987 and has decreased to \$13.90 in 1996. The rate has averaged \$12.60 over the period. Yet, as we all know, property values have stabilized or declined since the recession and are very unlikely to parallel the magnitude of increase experienced in the 1980's in the near future. It is assumed that growth in assessed valuation resulting from new construction and renovations will be in the range of one to two percent for the immediate future. This will generate approximately \$59,500 in new tax dollars annually at the existing 1996 tax rate. It is anticipated that state support of education will continue to decline. As a result, either the property taxes must be increased to offset the decline, additional revenues from other sources must be generated, municipal and/or education costs must be decreased, or some combination of these efforts must occur.

Table 1-6

**Property Taxes Rate Comparison
(Per \$1,000 of Assessed Value)**

	1987 Tax Rate	Percent of Rate	1996 Tax Rate	Percent of Rate	Variance
Town (Net)	\$3.92	0.265	\$3.56	0.256	\$(0.36)

School (Net)	9.88	0.668	9.63	0.693	(0.25)
County (Net)	1.00	0.067	0.71	0.051	(0.29)
Total	\$14.80	1	\$13.90	1	\$(0.90)

The cost of providing local government services represented 26.5% of total property tax in 1987, compared to 25.6% in 1996, a reduction of 0.9%. Schools represented 66.8% of the local property tax in 1987, compared to 69.3% in 1996, an increase of 2.5%. And county expenditures represented 6.7% of the tax rate in 1987, compared to 5.1% in 1996, a reduction of 1.6%.

Valuation Comparisons

State valuations and per capita valuation figures are two measures of a community's wealth relative to other communities. Table 1-7 contains a summary of State valuations for Waldoboro and ten comparison communities. Waldoboro's 1996 State valuation, at just over \$212.1 million is third highest of the comparison communities, placing behind Bridgton (\$347.4) which is in the Sebago Lakes Region and Madison (\$281.0) with its larger industrial base. Waldoboro's full value per capita at \$43,977 is fourth highest, behind Poland (\$46,812), Madison (\$59,131) and Bridgton (\$82,471).

Table 1-7**Comparative Tax Information**

	1994 Populati on	1994 Tax Assessmen t	1996 State Valuation	Full Value Tax Rate	1995 Median Home Value	Tax Paid On Media n Home	1995 Median Househ old Income	Tax Paid As % Of Incom e	Tax Paid Rank in State	Per Capita Tax Burde n
Waldoboro	4,823	2,798,863	212,100,000	13.20	89,907	1,186	24,482	4.846	82	580
Poland	4,423	3,464,738	207,050,000	16.73	99,434	1,664	33,405	4.981	76	783
Turner	4,758	2,657,047	189,550,000	14.20	105,963	1,485	33,750	4.401	123	558
Bridgton	4,213	5,925,620	347,450,000	17.05	92,398	1,576	26,250	6.003	38	1407
New Gloucester	4,391	2,241,398	151,450,000	15.99	118,182	1,890	37,556	5.031	75	510
Wilton	4,290	2,719,436	145,000,000	18.75	67,289	1,262	28,264	4.465	117	634
Oakland	5,966	3,340,286	209,250,000	15.96	81,402	1,299	30,765	4.224	140	560
Norway	4,675	2,750,296	192,800,000	14.27	80,804	1,153	24,006	4.802	84	588
Madison	4,753	4,498,022	281,050,000	16.00	59,923	959	24,206	3.962	162	946
Thomaston	3,453	2,682,458	143,700,000	18.67	96,933	1,809	27,727	6.526	26	777
Warren	3,432	1,659,478	129,150,000	12.85	87,892	1,129	23,750	4.755	89	484

TAX COMPARISONS

Table 1-7 contains tax information for Waldoboro and the ten comparison communities. Waldoboro's full value tax rate (13.20 mils) is lower than all the comparison communities other than Warren, although Warren is approximately the same as Waldoboro.

The median home value in Waldoboro (\$89,907) falls about in the middle of the comparison communities. The property tax paid on the median value home in Waldoboro (\$1,186) was lower than all comparison communities except Norway (\$1,153), Warren (\$1,129) and Madison (\$959).

Waldoboro's 1995 median household income (\$24,482) was lower than all other comparison communities, except Madison (\$24,206), Norway (\$24,006), and Warren (\$23,750).

In Waldoboro, the taxes paid on the median income home accounted for 4.8% of median household income, giving the community a statewide ranking of 82 in terms of tax burden. Comparison communities with a higher tax burden included Norway (84), Warren (89), Wilton (117), Turner (123), Oakland (117), and Madison (162).

Waldoboro's per capita tax burden (\$580) places it in about the middle of the referenced communities. Communities with a higher per capita burden include Norway (\$588), Wilton (\$634), Thomaston (\$777), Poland (\$783), Madison (\$946) and Bridgton (\$1,407).

**General Fund
Analysis of Revenues and Expenditures**

REVENUES

Current Revenues

General fund revenues are comprised of taxes, licenses and permits, intergovernmental revenues, charges for service, interest and other miscellaneous revenues. Taxes represent the largest source of municipal revenues, representing 90% of all revenues collected in 1996. The second largest source of revenue is from intergovernmental sources, representing 6% of all revenues generated in 1996. The remaining 4% represent licenses and permits, charges for services, miscellaneous revenues, interest and a transfer from the Highway Block Grant Fund.

Table 1-8

**General Fund
Revenue Sources
June 30, 1996**

Revenue Source	Amount	Percent
Taxes	3,401,798	0.903
Licenses & Permits	24,184	0.006
Intergovernmental Revenues	236,737	0.062
Charges for Services	37,635	0.009
Fees & Fines	245	0
Misc (Other Revenues)	64,843	0.017
Other Financing Sources	-	-
Total Actual Dollars	3,765,442	100.0%

Revenue Trends

Total revenues from all sources including the property tax reached a high of \$3.7 million in 1996. Growth in revenues in absolute terms over the ten year period 1987-1996 was \$1.5 million, or 69%, representing an average increase of nearly 5.5% annually. Property taxes represent the bulk of the increase over the five year period, \$1,521,132 or 98.8%. It is important to note that revenue sources other than the regressive property tax are extremely limited. As a result, the property tax continues to account for approximately 90% of revenues generated from all sources. Licenses and permits rose \$22,105 during the period primarily the result of the new shellfish licensing fees. Intergovernmental revenues consisting of primarily state revenue sharing have continued to lag during the period, decreasing \$14,386, essentially due to the sagging State economy. Charges for services have

increased \$23,314 basically due to the revenues derived from the new transfer program operated by the Department of Emergency Medical Services. Miscellaneous revenues such as interest from short term investments are down due to lower market rates and collateralization requirements.

Table 1-9

**Revenue Sources
Historical Trends**

Revenue Source	1,987	1,996	Variance	Percent
Taxes	1,880,666	3,401,798	1,521,132.00	80.88
Licenses & Permits	2,079	24,184	22,105.00	1,063.25
Intergovernmental	251,123	236,737	(14,386.00)	(5.73)
Charges for Service	14,321	37,635	23,314.00	162.80
Fees & Fines	-	245	245.00	??
Miscellaneous	78,131	64,843	(13,288.00)	(17.01)
TOTAL REVENUES	2,226,320	3,765,442	1,539,122.00	69.13

Revenue Benchmark Comparisons

The Maine Municipal Association published a document entitled *Local Government Fiscal Survey 1995* which contains a wealth of information on various revenue and expenditure sources of Maine's municipalities.

In our population range (2,000 - 4,999), average general fund revenues were \$3.87 million in 1995. Waldoboro revenue collections for the same period were \$3.45 million. Stated differently, Waldoboro raised nearly \$419,000 less than other communities in our population range and \$206,579 less than the statewide average. Per capita general fund revenues for the comparison communities were \$872 compared to Waldoboro's per capita revenues of \$717, or 82%.

Table 1-10

**Local Government Fiscal Survey
1995
Maine Municipal Association**

General Fund Revenues	Waldoboro	Survey Average Population Range	Statewide Average
Total Revenues	3,458,703	3,877,283	3,665,282

Total Municipal	3,110,202	2,985,794	2,793,574
Total State	317,179	735,191	668,070
Total Federal	0	28,002	59,239
Other Revenues	31,322	128,296	129,276
Total Municipal	3,110,202	2,985,794	2,793,574
Property Taxes	2,591,093	2,557,137	2,408,540
Excise Tax	382,861	306,129	237,625
Fines - Taxes	38,708	31,812	23,766
Investment Income	26,495	29,414	33,135
Licenses	71,045	61,303	90,506
Total State	317,179	735,191	668,070
Revenue Sharing	201,223	170,265	146,068
Highway Block Grant	82,716	51,350	40,786
General Assistance	9,327	9,290	10,901
Tree Growth	2,406	5,135	4,521
Aid to Education	0	480,346	446,123
Other	21,507	18,805	19,672
Use of Surplus	289,627	141,312	136,174

EXPENDITURES

Current Expenditures

Services provided by local government include general government; public safety; public works, including solid waste management; health and welfare; education, including culture and recreation; and other expenditures, including insurance and debt service. It includes Waldoboro's proportionate share of the MSAD #40 school budget and the Lincoln County government budget. Education represents the largest share of municipal expenditures (60%), followed by other expenditures (12%), public safety (11%), public works (8%), general government (7%), and health and welfare (2%).

Table 1-11

**General Fund
Expenditures
June 30, 1996**

Expenditure	Amount	Percent
General Government	235,432	6.82
Public Safety	362,501	10.50

Public Works	290,391	8.41
Health and Welfare	83,826	2.43
Education, Culture & Recreation	2,077,578	60.16
Other Expenditures and Transfers	403,760	11.69
Total Expenditures	3,453,488	100.00

Expenditure Trends

Expenditures for local government services increased from \$2.0 million in 1987 to \$3.4 million in 1996, an increase of \$1.3 million, or 65%. This represents an average increase of slightly over 5% annually.

Table 1-12
Expenditures
Historical Trends

Expenditure	1987	1996	Variance	Percent
General Government	152,565	235,432	82,867	54.32
Public Safety	333,385	362,501	29,116	8.73
Public Works	275,511	290,391	14,880	5.40
Health and Welfare	122,990	83,826	(39,164)	(31.84)
Education, Culture & Recreation	1,050,927	2,077,578	1,026,651	97.69
Other Expenditures & Transfers	157,902	403,760	245,858	155.70
TOTAL EXPENDITURES	2,093,280	3,453,488	1,360,208	64.98

Expenditure Benchmark Comparisons

Expenditures of communities in our population range (2,000 - 4,999) in 1995 reveal that average general fund expenditures were \$3.80 million compared to \$3.63 million in Waldoboro, \$175,341 less than similar sized communities and \$219,348 less than the statewide average. Per capita expenditures for the comparison communities were \$843 compared to \$753 in Waldoboro, or 89%.

Table 1-13

**Local Government Fiscal Survey
1995
Maine Municipal Association**

General Fund Expenditures	Waldoboro	Survey Average Population Range 2,000-4,999	Statewide Average
Total Expenditures	3,632,169	3,807,510	3,412,821
General Administration	248,394	241,277	200,095
Public Safety	363,661	271,142	319,065
EMS	57,408	27,241	22,511
Fire	43,221	66,282	106,321
Police	176,235	108,671	134,405
Other Public Safety	86,797	68,948	55,828
Public Works	289,618	557,981	416,917
Roads	283,761	290,175	214,231
Solid Waste	5,857	173,103	121,077
Wastewater	0	48,827	26,341
Other Works	0	45,876	55,269
Human Services	23,677	33,218	54,122
General Assistance	15,026	18,139	27,422
Other Health	8,651	15,079	26,699
Education	1,876,627	2,142,537	1,777,067
Parks & Recreation	16,949	36,626	44,706
Library	33,567	24,696	30,086
County Tax	144,905	139,758	103,066

Debt Service	7,200	90,323	145,501
Employee Benefits	80,403	96,367	140,647
Health, Dental, Life	68,466	51,473	69,637
Retirement	11,937	44,463	68,967
Other Benefits	0	430	2,043
Insurance	63,107	58,256	53,708
Liability	32,753	25,001	21,032
Unemployment	3,564	4,209	2,799
Workers' Comp	26,790	27,909	28,614
Other Insurance	0	1,137	1,262
Other Expenditures	484,061	115,328	127,706

Table 1-14
Town of Waldoboro
Actual Revenues and Expenditures
For the Year Ending June 30

	1987	1988	1989	1990	1991	1992	1993	1994*	1995	1996
FUND BALANCE - July 1	345,024	356,477	419,108	411,093	368,550	388,697	473,784	633,828	695,898	845,703
REVENUES										
General Fund										
Taxes	1,880,666	2,081,227	2,285,507	2,405,736	2,521,579	2,692,109	2,983,171	1,610,498	3,304,077	3,401,798
Licenses and Permits	2,079	6,111	5,239	3,830	2,691	16	16,185	17,917	26,572	24,184
Intergovernmental	251,123	170,540	234,338	258,217	193,549	153,055	203,952	98,427	224,958	236,737
Charges for Service	14,321	12,906	12,671	10,868	21,558	18,782	18,850	16,776	44,468	37,635
Fines and Forfeits	-	7,992	992	814	4,426	3,620	7,554	5,861	4,195	245
Miscellaneous	78,131	83,739	110,210	124,058	58,078	56,022	47,934	25,367	53,632	64,843
Total General Fund	2,226,320	2,362,515	2,648,957	2,803,523	2,801,881	2,939,874	3,277,646	1,774,846	3,657,902	3,765,442
EXPENDITURES										
General Fund										
General Government	152,565	157,889	176,422	235,696	187,496	205,790	207,579	117,089	223,254	235,432
Public Safety	333,385	256,921	304,162	462,449	297,234	305,394	323,848	167,248	351,278	362,501
Public Works	275,511	483,525	498,173	431,697	246,048	258,547	275,466	140,075	289,618	290,391
Health & Community Svcs ¹	122,990	42,457	54,581	61,351	43,865	48,828	61,006	26,789	73,668	83,826
Education and culture ²	1,050,927	1,115,188	1,218,362	1,302,386	1,326,224	1,445,539	1,655,174	869,745	1,914,675	2,077,578
Other Expenditures ³	157,902	249,957	277	360,323	314,876	302,019	314,604	89,312	295,617	403,760
Total Expenditures	2,093,280	2,305,937	2,528,553	2,853,902	2,415,743	2,566,117	2,837,677	1,410,258	3,148,110	3,453,488
Transfers	(25,691)	(82,800)	(49,239)	75,407	367,915	288,670	279,925	302,518	359,987	432,721
Total General Fund	2,067,589	2,223,137	2,479,314	2,929,309	2,783,658	2,854,787	3,117,602	1,712,776	3,508,097	3,886,209
FUND BALANCE - June 30	356,477	419,108	411,093	368,550	386,773	473,784	633,828	695,898	845,703	724,936

* Changed to fiscal year end June 30, 1994, therefore figures represent six months of activity.

1 Includes health & community services

2 Includes education, planning, conservation and culture

3 Includes insurance, employee benefits, county tax, and debt service

Source: Audit Reports

Special Revenue Funds

Analysis of Special Revenue Funds

Special revenue funds account for specific resources, the expenditure of which is restricted by law or administrative action for particular purposes. They are usually established as required by statute, charter provision, or local ordinance to finance particular functions or activities of government. A special revenue fund may be used to finance either current operating expenditures or capital outlays or both.

At June 30, 1996, the Town of Waldoboro maintained nine (9) special revenue funds established for the following purposes:

The Capital Reserve Fund accounts for various funds set aside by action of the Town to be used for projects which are generally capital in nature.

The Transfer Station Fund accounts for revenues and expenditures associated with the operation of the transfer station. The town maintains an interlocal service agreement with the towns of Cushing and Friendship for solid waste management.

The Highway Block Grant Fund accounts for state funds restricted or dedicated for local highway purposes. These funds are generally transferred to the general fund by voter approval for highway improvements.

The CDBG Small Cities Fund accounts for federal grant money under CDBG programs and the expenditures of same.

The Sanitary Landfill Fund accounts for state grant money set aside for landfill closure costs. It is recommended that this fund be used to finance post-closure water quality monitoring costs of approximately \$4,000 per year for the next 23 years.

The DEP Small Cities Wastewater Fund accounts for state grant funds set aside for abatement of malfunctioning septic systems or overboard discharges that are impacting water quality.

The MSHA Fund accounts for state grant funds for the New Housing Initiative Program (NHIP) and expenditures of same.

The Medomak River Water Quality Fund accounts for a federal grant for water quality testing.

The Comprehensive Plan Fund accounts for funds set aside for production of the Town's comprehensive plan.

The combined total of all special revenue funds at June 30, 1996 was \$1,046,036 as outlined in Table 1-15. The Capital Reserve Fund accounts for 89% of all special revenue funds. The resulting statement together with the general long-term debt realistically represents the total community capital improvement program.

	Fund Balance
Capital Reserve Fund	930,832
Transfer Station Fund	52,140
Highway Block Grant	-
CDBG Small Cities	609
Sanitary Landfill	21,348
DEP Wastewater	27
MSHA	13,000
Medomak River Water Quality	1,077
Comprehensive Plan	27,003
TOTAL	1,046,036

Long Term Debt

Analysis of Long Term Debt

The debt limit of the Town of Waldoboro for general municipal purposes is 7½% of its full State valuation, most recently certified by the State Tax Assessor pursuant to M.R.S.A. Title 36, Section 381, adjusted to 100% (see M.R.S.A. Title 30-A, Section 5702). In addition to the general limit, the Town may incur debt for school purposes to an amount outstanding at any time not exceeding 10% of its last full State valuation, for storm or sanitary sewer purposes to an amount outstanding at any time not exceeding 7½% of its last full State valuation, and for municipal airport, water and special district purposes to any amount outstanding at any time not exceeding 3% of its last full State valuation. However, in no event may the Town incur debt which would cause its total debt outstanding at any time to exceed 15% of its last full State valuation (see Table 1-16).

Table 1-16
Statutory Debt Limit
June 30, 1996

State Valuation (1996)	\$212,100,000
Debt Limit - 15% of State Valuation	\$ 31,815,000
Less: Outstanding Debt	<u>\$ 85,633</u>
Legal Debt Margin	<u>\$ 31,729,367</u>

The limitations on municipal debt do not apply to any funds received in trust by the Town, any loan which has been funded or refunded, notes issued in anticipation of Federal or State Aid or revenue sharing money, tax anticipation loans, notes maturing in the current municipal year, indebtedness of entities other than the Town, industrial development or pollution control financing and obligations payable from revenues of the current municipal year or from other revenues previously appropriated by or committed to the municipality.

Table 1-17
Statutory Debt Limit
By Category
June 30, 1996

Category	Legal Limit	Outstanding	Margin
Municipal Purposes	0.075	85,633	15,907,500
School Purposes	0.1	-	21,210,000
Storm/Sanitary Sewers	0.075	-	15,907,500
Airport, water and special districts	3.0%	-	6,363,000

Pursuant to Title 30-A, Section 5752, of the Maine Revised Statutes, as amended, the Town may enter into an agreement to share any portion of its assessed valuation with another municipality. At present, no such agreement has been entered into or is under consideration.

Debt Summary

General obligation debt for various public improvements and notes for equipment purchases payable at December 31, 1996 are set forth in the following table.

Table 1-18
Long Term Debt
June 30, 1996

Bonds and Notes	Date of Issue	Original Amount Issued	Date of Maturity	Interest Rate	Balance June 30, 1996
Gravel Supply	12/23/94	\$ 100,000	12/23/96	0.05	\$ 50,000
Bulldozer Note	11/23/94	\$ 43,250	11/23/99	0.06	\$ 35,633
Total					\$ 85,633

Debt Service Requirements

The following table sets forth the required principal and interest payments on outstanding general obligation bonds of the Town of Waldoboro, as of June 30, 1996.

Table 1-19
Debt Service Requirements
Amortization Schedule
June 30, 1996

June 30	Principal	Interest	Total
1997	58,074	5,918	63,992
1998	8,558	1,654	10,212
1999	9,072	1,140	10,212
2000	9,929	283	10,212
Thereafter	-0-	-0-	-0-
Total	85,633	8,995	94,628

Projected Principal Payments by Purpose

The following table sets forth the projected payments by purpose on outstanding general obligation bonds and permanent notes of the Town of Waldoboro. As indicated in the table, of the total \$85,633 bonds and permanent notes expected to be outstanding are to be paid by the end of the fiscal

year 2000.

Table 1-20
Projected Principal Payments
by Purpose
June 30, 1996

Fiscal Year	Gravel Supply Mortgage	Bulldozer Note	Total Outstanding
6/30/97	\$ 50,000	8,074	58,074
6/30/98	-	8,558	8,558
6/30/99	-	9,072	9,072
6/30/00	-	9,929	9,929
6/30/01	-	-	-
Total	\$ 50,000	35,633	85,633

Debt Ratios

Even though theoretically the Town may incur a debt limit of up to 15%, it is generally recommended that the Town's debt should not exceed 5% of assessed valuation. As illustrated in Table 1-21, the ratio of bonded debt to assessed valuation is 0.04%, falling far below the statutory limit of 15%. This is based on a municipal valuation of \$214,050,000 and outstanding general obligation bonds and notes totaling \$85,633.

A second criteria generally used to evaluate a municipality's credit-worthiness is per capita debt (total debt divided by population). Generally speaking, the Town's per capita debt should not exceed \$400. As illustrated in Table 1-21, Waldoboro's current per capita debt is \$19.00.

The following table sets forth the ratio of bonded debt to municipal valuation and per capita debt ratios for the end of the ten most recent fiscal years.

Table 1-21
Debt Ratios

Fiscal Year	Population (1)	Assessed Valuation	Total Debt (2)	Ratio of Bonded Debt to State Valuation	Per Capita Debt
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1987	3,985	\$106,886,600	-	0	-
1988	3,985	140,542,300	-	0	-
1989	3,985	175,908,600	550,000	0.0031	138
1990	4,601	181,868,500	518,437	0.0029	113
1991	4,601	187,614,700	485,713	0.0026	106
1992	4,601	204,720,000	478,935	0.0023	104
1993	4,601	208,793,300	358,778	0.0017	78
1994	4,601	207,897,300	14,400	0.0001	3
1995	4,601	210,440,800	150,450	0.0007	33
1996	4,601	214,050,000	85,633	0.0004	19

- (1) 1980 Federal Census Figure used for 1987 through 1989.
1990 Federal Census Figure used for 1990 through 1996.
- (2) Represents total debt as of June 30.

Overlapping Debt

In addition to the bonds and notes payable, the Town is contingently responsible for its proportional share of any defaulted debt issued by Lincoln County and by entities of which it is a member such as School Administrative District #40. The Towns' proportionate share of this debt is determined by the percentage of the Towns' equalized State valuation to the County's equalized State valuation for any Lincoln County debt and by the percentage of the Towns' equalized State valuation as a percentage of member towns for any school assessment and is paid through annual assessments by the County and the School District.

The following table sets forth the overlapping bonded debt applicable to the Town of Waldoboro at June 30, 1996:

Table 1-22

**Direct & Overlapping Debt
June 30, 1996**

Governmental Unit	Net Debt Outstanding	Applicable to Waldoboro	Town of Waldoboro's Share of Debt
Direct Debt			
Town of Waldoboro	\$ 85,633	100%	\$ 85,633
Overlapping Debt			
MSAD No. 40	\$ 4,764,200	37.43%	1,783,240
Lincoln County	-	N/A	-

Source: Lincoln County Treasurer. Share varies annually on a basis of most recent State valuation.

Note: The outstanding debt of the school district is eligible for 100% State reimbursement. The Town's shares of net operating expenses of School Administrative District #40 is 37.43% and is based upon state valuations of member communities.

MUNICIPAL BUILDING

The municipal building, which is located on a 7.6 acre site at 1600 Atlantic Highway, is a single story structure which houses the municipal offices, the Police Department, the Fire Department, and the Town's Emergency Medical Services. The building was constructed in 1979 at a cost of \$353,000.

The municipal portion of the building is constructed of wood with brick veneer and consists of 6,000 square feet of office space and equipment storage area. This portion of the building contains:

- ▶ **The municipal office** including offices for the Town Manager, the Town Clerk, the Finance Department, and the Assessor/Code Enforcement Officer (4,062 square feet, or 67% of the building);
- ▶ **EMS facilities** including two equipment bays, a small office and a classroom (1,574 square feet, or 26% of the building);
- ▶ **The Police Department** including a bay for cleaning and storing cruisers or for parking impounded vehicles, and office space for the Chief and a secretary (364 square feet, or 7% of the building).

The Fire Station portion of the building, which measures 76 feet by 65 feet, contains 4,940 square feet. It is constructed of masonry walls, brick veneer, a wood truss roof, five steel insulated doors measuring 12 feet by 12 feet, and an apparatus floor which houses an aerial ladder, four pumpers, a rescue truck and a jeep. The facility also includes a dispatch office, a chief's office, bathrooms and a meeting room with kitchen facilities.

At the rear of the building there is a fire alarm system and a 70-foot communication tower with related equipment. In 1994, the building was modified to comply with the Americans with Disabilities Act. In 1996, the Town replaced an old auxiliary power generator with a Caterpillar 35KW diesel powered generator (automatic start).

Needs. The municipal building is in excellent structural condition, but there are several deficiencies which need to be addressed:

1. **Roof Shingles.** The roof shingles are approaching the end of their 20-year design life.
2. **Ventilation System.** There is a need to improve the ventilation system to deal with high heat and humidity problems during the summer months.
3. **Functional Layout.** There is a need to renovate the building to improve the utilization of existing space so as to better deal with high levels of attendance at various meetings, additional space for the Police Department, and additional vault, janitorial and general storage space.

