**Priority (IV) Four**

**The Town of Ogunquit is in the tourist business, and like any business, should understand the associated costs and revenues in detail on an ongoing basis.**

**The understanding of costs will allow better management of these costs, and discussion and determination of appropriate revenue streams to support the tourist business.**

**Situation:**

Tourism and its costs continue to grow in Ogunquit, especially in the shoulder seasons, and we do not have a handle on these costs. Of the reported 2013 retail sales from Ogunquit to the state, the summer months accounted for 62%, the shoulder seasons for 34%, with the winter months at 4%.

Police, Fire, Public Works, Visitor Services, Transfer Station and Utility Services represent only the most obvious costs to the Town. The Town budgets about $4.0 million for these services. As a point of emphasis, over 55 tons of town trash was picked up during last summer averaging 18.5 tons per month vs. an average of 3.3 tons per month for the rest of the year.

In FY 2014/2015 Using All Sources for Revenue, Residents paid 69%; Businesses paid 17% and “Other” (parking lot revenue and state revenue sharing) paid 14% to the town. It seems that the cost of tourism is being disproportionately borne by the residents.

Last year, Selectman Daley estimated the percent of each town department’s budget that was used for tourism services, and assigned an overall figure of 61% of the town’s budget used to support tourism. No action has been taken to date.

**Proposed Solution:
A.** The ORA Finance Team will perform more analysis to support their conclusion about growing tourism costs. They will analyze quarterly sales tax data and economic activity over time to show how much tourism is increasing, and analyzes actual town expenses by month to determine how costs are incurred throughout the year. (Select Board to appoint a member to work with the ORA Finance Team in August 2016.)

***Status:*** *John Daly volunteered to be the liaison at the Select Board/ORA workshop.*

**B.** ORA will present their analysis on the growth and the costs of tourism to the Select Board. (October 2016)

***Status:*** *Agreed at the Select Board/ORA workshop. October is still the goal, but the final date will be based on having enough time for the ORA Finance Team to analyze the town’s budget information.*

**C**. Beginning in the 2017 / 2018 budget, costs attributed to tourism should be broken out by department on an annual basis. (Vote by Select Board to do this in November 2016).

***Status****: Discussed at the Select Board/ORA workshop. Will be addressed after the ORA Finance Team analysis on the Growth and Costs of Tourism is presented to the Select Board*

*D. Identify similarly situated municipalities that could form a coalition, and approach the Maine Legislature again in 2017 for enabling legislation for a local sales tax option.*

***Status****: Future item. Ogunquit Residents Alliance*