



April 10, 2018

MEMO

To: Town Meeting Voters

From: Cornell Knight, Town Manager

Re: 2019 Municipal Budget

As per the Town Charter, Article VI Sec C-31-D, I presented the municipal budget proposal for Fiscal Year 2019 to the Town Council and the Warrant Committee. They have completed their reviews and have agreed on the budget totals for both the town and schools. The estimated tax rate will rise 6% from \$10.96 mils to \$11.62. As proposed, the tax increase on a median valued home (\$300,300) would be \$198. The increase is due in large part to the first year debt payment on the Transfer Station and the appropriation of \$350,000 for capital improvements at the Connors Emerson School.

One new employee is proposed to be added in the Fire/EMS department. The call fire fighter numbers continue to drop, down to 10 resident call firefighters. This additional employee will add a 4th person to the second shift. Since the last hire in October the ambulance revenues have stabilized because the service has had staff to accept more transfers.

There are 2 bond requests: Ferry Terminal Parcel purchase \$3.5 million; Parking meters and kiosks \$600,000. All bond issues are reflected in the Capital Improvements budget.

This budget proposal does exceed LD 1 limits by \$407,042. There is a warrant article to exceed the limits.

A wage increase of 2% and a 1% bonus for changing to a lower cost health plan. The employees covered by the Teamsters union are not part of this change because their contract negotiations are in mediation at this time.

Some highlights in the budget:

### ***Revenues***

There will be less use of unassigned fund balance (generally referred to as Surplus) from \$85,000 last year to \$70,000 this year. I've included the Fund Balance History in the Charts section. The town did maintain its AAA rating from S & P and AA1 from Moody's but they do mention the town's fund balance as a concern. But we are headed in the right direction, 4 years ago \$200,000 was used to offset taxes.

Excise tax increased slightly by 1.6% and Ambulance billings have stabilized for the first time in 4 years.

No changes to the fee schedules.

### ***Expenditures***

Spending for municipal operations is up \$319,614 or 3.7%.

Legal 1018- Legal expense lines in Planning and Codes has moved to this department.

Town Office 1026 Office supply lines in Planning moved to this budget for town office depts.

Employment Benefits 1028- Health insurance is flat funded due to a change in policy coverage that has a higher deductible and the town funds a portion of the health reimbursement account. One new employee is added to the coverage. The shared premium cost remained at 20% employee and 80% town. Workers Compensation coverage increased due to a higher experience modification. Unemployment costs are lower.

Miscellaneous-1036- A new budget line (\$8,700) was added to fund Polco and the part-time coordinator Nina St. Germain. Polco is an on-line citizen engagement survey program that the Town Council has approved.

Fire/EMS Budget- 1042- Wages increased to cover a new worker to start October 1. Although wages increased, overtime, part time and per diem lines were reduced. Call Firefighter pay increased from \$10 to \$11/hr.

Police- 1045- The sharing of police services with the town of Mt. Desert continues to improve department operations and schedules. Spending is up 4.9%, revenues up 13% and cruise ship reimbursement to Operations increased by \$14,000.

Non-profits 1059- An increase in Jesup Library funding from \$75,000 to \$150,000 is proposed. No change to the YMCA, staying at \$100,000.

Solid Waste-1079- This budget reflects the new operation that should open in May. The town will own the trash trailers and contract the hauling msw and (single sort) recyclables to Fiberight.

### ***Cruise Ship Fund***

The Cruise Ship Fund reflects a .2% increase in revenues over FY 18 budget estimates to \$900,942. The Town Council approved a cost of living increase to the passenger fee from \$4.30 per passenger to \$4.37 but not reflected in the budget. The cruise fund transfers \$358,354 to offset town operation costs and \$389,517 to offset capital improvement costs. The Ferry Terminal business plan should be completed in the spring. If the vote to purchase the parcel is approved closing on the property will occur by November 2018. There is \$15,000 budgeted towards the ambulance reserve and \$40,000 towards the comp plan update reserve.

### ***Capital Improvements***

CIP funding is up 35.% due to the debt payment on the bond issues approved last year for the Transfer station, ladder truck and fire station floor repair and the appropriation for the school improvements.

Assessing- Vision software that is 13 years old must be updated at a cost of \$17,000.

Technology- The other half (\$25,000) of the cost of a Broadband Engineering study between municipal sites is appropriated. Total cost is estimated to be \$50,000 which would be completed in FY19.

Planning- \$50,000 (\$40K from cruise fund) is appropriated for a Comp Plan update. Another appropriation will be needed next year for total funding.

Fire- Some of the ladder truck reserve balance was redistributed to the tanker and engine 5 reserves, so no tax appropriation was made on those trucks this year.

Police- One cruiser is scheduled for purchase.

Harbor- There is a new item for Breakwater repairs (\$10,000) recommended by the Cruise Ship Committee. This is funded from the cruise ship fund. Although the work should be done by the Army Corps, there may be some preliminary engineering work to be done.

Highway- Parking Meters and kiosks purchases were recommended by the Parking Solutions Task Force and the Town Council. The \$600,000 bond would be paid back over 2 years from meter revenues not the property tax. A new plow truck is proposed to replace a 2002 truck. And the brush chipper is due for replacement.

Solid Waste- Reserves are started for the canopy over the single sort units and solar panels on the main building. Both items were removed from the bid to get the project under budget.

Staff and I will be available to answer questions at the meeting.

## Bar Harbor FY 2019 Budget Tax Calculation

	FY16	FY17	FY18	FY19	CHANGE	
DEPARTMENT EXPENSE SUMMARIES	Actual	Actual	Orig. Budget	Apprvd Budget		
Town Council	\$ 33,557	\$ 33,267	\$ 38,937	\$ 39,537	\$ 600	1.5%
Town Manager	\$ 116,286	\$ 120,121	\$ 126,515	\$ 129,852	\$ 3,337	2.6%
Town Clerk	\$ 114,534	\$ 111,685	\$ 126,055	\$ 125,904	\$ (151)	-0.1%
Finance Dept	\$ 327,930	\$ 322,520	\$ 342,660	\$ 350,562	\$ 7,902	2.3%
Town Attorney	\$ 18,544	\$ 18,858	\$ 19,950	\$ 36,950	\$ 17,000	85.2%
Elections	\$ 9,764	\$ 18,326	\$ 14,118	\$ 15,523	\$ 1,405	10.0%
Technology	\$ 153,317	\$ 125,165	\$ 162,528	\$ 158,396	\$ (4,132)	-2.5%
Municipal Building	\$ 84,144	\$ 73,551	\$ 77,823	\$ 80,196	\$ 2,373	3.0%
Town Offices	\$ 35,371	\$ 37,465	\$ 37,816	\$ 40,851	\$ 3,035	8.0%
Employee Benefits	\$ 1,341,367	\$ 1,436,084	\$ 1,516,316	\$ 1,562,759	\$ 46,443	3.1%
Code Enforcement	\$ 68,855	\$ 65,125	\$ 76,136	\$ 72,687	\$ (3,449)	-4.5%
Assessing	\$ 116,749	\$ 126,884	\$ 138,215	\$ 141,626	\$ 3,411	2.5%
Planning	\$ 119,471	\$ 134,624	\$ 155,513	\$ 131,839	\$ (23,674)	-15.2%
Miscellaneous	\$ 220,893	\$ 218,955	\$ 229,689	\$ 242,323	\$ 12,634	5.5%
Fire / EMS	\$ 769,772	\$ 800,244	\$ 854,158	\$ 887,630	\$ 33,472	3.9%
Public Fire Protection	\$ 533,036	\$ 585,604	\$ 585,602	\$ 585,602	\$ -	0.0%
Police Dept.	\$ 1,033,361	\$ 1,036,534	\$ 1,213,223	\$ 1,273,053	\$ 59,830	4.9%
Dispatch	\$ 217,475	\$ 214,261	\$ 219,986	\$ 227,568	\$ 7,582	3.4%
Public Safety Bldg	\$ 40,135	\$ 35,282	\$ 41,848	\$ 43,548	\$ 1,700	4.1%
Street Lights	\$ 64,625	\$ 71,608	\$ 71,575	\$ 71,575	\$ -	0.0%
Harbor Dept	\$ 113,119	\$ 111,474	\$ 118,205	\$ 124,401	\$ 6,196	5.2%
Parks & Rec	\$ 242,210	\$ 236,375	\$ 352,879	\$ 429,722	\$ 76,843	21.8%
General Assistance	\$ 1,269	\$ 1,700	\$ 1,197	\$ 1,187	\$ (10)	-0.8%
Cooperating Agency	\$ 42,843	\$ 40,038	\$ 45,092	\$ 45,092	\$ -	0.0%
Comfort Station	\$ 95,528	\$ 93,438	\$ 94,328	\$ 98,122	\$ 3,794	4.0%
Public Works	\$ 142,561	\$ 143,258	\$ 149,609	\$ 149,726	\$ 117	0.1%
Highway Dept	\$ 946,532	\$ 1,038,935	\$ 1,049,339	\$ 1,081,514	\$ 32,175	3.1%
Solid Waste	\$ 611,609	\$ 641,258	\$ 700,274	\$ 731,455	\$ 31,181	4.5%
<b>SUBTOTAL</b>	<b>\$ 7,614,857</b>	<b>\$ 7,892,639</b>	<b>\$ 8,559,586</b>	<b>\$ 8,879,200</b>	<b>\$ 319,614</b>	<b>3.7%</b>
Capital Improvements Transfer	\$ 1,810,435	\$ 1,775,644	\$ 1,691,003	\$ 2,296,005	\$ 605,002	35.8%
School Local - Transfer	\$ 5,223,669	\$ 5,365,115	\$ 5,400,763	\$ 5,430,046	\$ 29,283	0.5%
Other Transfers out	\$ -	\$ -	\$ -	\$ -	\$ -	
<b>TOTAL Expense Taxable</b>	<b>\$ 14,648,961</b>	<b>\$ 15,033,398</b>	<b>\$ 15,651,352</b>	<b>\$ 16,605,251</b>	<b>\$ 953,899</b>	<b>6.1%</b>
Hancock County	\$ 584,111	\$ 599,218	\$ 641,082	\$ 698,528	\$ 57,446	9.0%
MDI High School Assessment	\$ 2,980,513	\$ 2,997,795	\$ 3,122,142	\$ 3,152,145	\$ 30,003	1.0%
OVERLAY	\$ 48,581	\$ 53,569	\$ 44,078	\$ 85,019	\$ 40,941	92.9%
<b>TOTAL ASSESSMENT</b>	<b>\$ 18,262,166</b>	<b>\$ 18,683,980</b>	<b>\$ 19,458,654</b>	<b>\$ 20,540,943</b>	<b>\$ 1,082,289</b>	<b>5.6%</b>
<b>REVENUES</b>						
General Revenues	\$ 2,363,044	\$ 2,438,784	\$ 2,478,014	\$ 2,561,348	\$ 83,334	3.4%
Reserves-Use of Fund Balance	\$ 110,000	\$ 105,000	\$ 85,000	\$ 70,000	\$ (15,000)	-17.6%
Transfers In -Cruise Ship Fees & Other	\$ 265,457	\$ 277,262	\$ 360,389	\$ 364,479	\$ 4,090	1.1%
<b>SUBTOTAL (REVENUES)</b>	<b>\$ 2,738,501</b>	<b>\$ 2,821,046</b>	<b>\$ 2,923,403</b>	<b>\$ 2,995,827</b>	<b>\$ 72,424</b>	<b>2.5%</b>
State Revenue Sharing	\$ 132,854	\$ 128,220	\$ 126,000	\$ 127,000	\$ 1,000	0.8%
<b>TOTAL DEDUCTIONS</b>	<b>\$ 2,871,355</b>	<b>\$ 2,949,266</b>	<b>\$ 3,049,403</b>	<b>\$ 3,122,827</b>	<b>\$ 73,424</b>	<b>2.4%</b>
Net Commitment	\$15,588,095	\$15,896,515	\$16,409,251	\$17,418,116	\$1,008,865	6.1%
Valuation (estimate)	\$ 1,471,963,700	\$ 1,481,606,195	\$ 1,497,194,400	\$ 1,506,757,400	\$ 9,563,000	0.6%
<b>Mill Rate (estimate)</b>	<b>10.59</b>	<b>10.73</b>	<b>10.96</b>	<b>11.56</b>	<b>0.60</b>	<b>5.5%</b>
Total Municipal Budget	\$ 9,615,426	\$ 9,811,694	\$ 10,250,589	\$ 11,175,205		
- Total Deductions	\$ 2,883,444	\$ 2,913,877	\$ 3,049,403	\$ 3,122,827		
= Municipal Property Tax	\$ 6,731,982	\$ 6,897,817	\$ 7,201,186	\$ 8,052,378	\$ 851,192	11.8%
LD-1 Levy Limit - maximum	\$ 6,774,604	\$ 7,040,190	\$ 7,389,121	\$ 7,707,492	\$ 318,371	4.3%
<b>Difference for LD-1 (under limit)</b>	<b>\$ (42,622)</b>	<b>\$ (142,373)</b>	<b>\$ (187,935)</b>	<b>\$ 344,886</b>	<b>\$ 532,821</b>	

## Municipal Budget: Budget Summary for Warrant Article

Fund	Appropriation (Expenditures) Requested	Revenues Other Than Prop.Tax	Fund Balance Used *	Property Taxes Needed	Tax Rate Change
<b>Assessments</b>					
County Assessment	698,528	0	0	698,528	8.3%
High School Assessment	3,152,145	0	0	3,152,145	0.3%
Overlay	85,019	0	0	85,019	91.7%
Total Assessments	3,935,692	0	0	3,935,692	
<b>Municipal Budget</b>					
General Fund	8,879,200	3,052,827	0	5,826,373	3.5%
Capital Improvement Program Fund	7,060,074	4,764,069	70,000	2,226,005	37.7%
Dog Control Reserve Fund	2,900	2,900	0	0	n/a
Shellfish Conservation Reserve Fund	3,200	3,200	0	0	n/a
Cruise Ship Fund	881,503	881,503	0	0	n/a
Parking Meter Fund	40,000	40,000	0	0	n/a
Total Municipal Budget	16,866,877	8,744,499	70,000	8,052,378	11.1%
	Approp. warrant			LD-1	
<b>Education Budget</b>					
Elementary School Fund	6,206,205	413,000	363,159	5,430,046	-0.1%
Total Education Budget	6,206,205	413,000	363,159	5,430,046	-0.1%
		7%	6%	87%	
<b>Grand Totals</b>					
	27,008,774	9,157,499	433,159	17,418,116	5.5%

mill rate calc:  
 17,418,116  
 1,506,757,400  
 0.01156

<b>Tax Rate Change</b>	
Estimated Tax Rate Next Year	\$11.56
Actual Tax Rate This Year	\$10.96
Est. Tax Rate Increase	\$0.60
	<b>5.5%</b>

Total Taxable Valuation Next Year  
 \$1,506,757,400

<b>What Will It Cost Me?</b>		
Median Home Value	Total Tax Increase Per Month	Total Tax Increase Per Year
\$300,300	\$15.02	\$180

**TAX BILL BREAKDOWN**  
**PROPERTY TAX COMMITMENT = \$17,418,116**

