



April 1, 2019

MEMO

To: Town Meeting Voters

From: Cornell Knight, Town Manager

Re: 2020 Municipal Budget

As per the Town Charter, Article VI Sec C-31-D, I present the municipal budget proposal for Fiscal Year 2020. The Town Council and the Warrant Committee have completed their review of the budget. I estimate the tax increase at 2.6%. Town operations and capital expenditures are up 4%, Hancock County up 5.2% and Schools (Conners) 4.5% and the High School estimated at .9%. If budgets were approved as proposed and the valuation estimate is on target then the mil rate would increase from \$11.56 to \$11.86. The median home value of \$289,300 would have an \$87 increase in taxes.

One new employee is proposed to be added in the Fire/EMS department. This new employee will make a full complement of 4 staffers for every shift and 24/7 coverage. Run revenue remained flat, but with the extra employee added last year the number of out of town transfers increased from 69 to 101.

There is a new budget section for the parking fund. There are no bond requests.

There is additional information regarding the town's debt in the Chart section.

This budget proposal does exceed LD 1 limits by \$329,828 but that is affected by last year's carry over. Additional information about that calculation can be found in the Chart section. There will be a vote at town meeting to exceed the limits.

Wage increases are budgeted in the range from 2.2% to 2.8%.

Some highlights in the budget:

Revenues

There will be less use of unassigned fund balance (generally referred to as Surplus) from \$70,000 last year to \$55,000 this year. I've included the Fund Balance History in the Charts section.

Excise tax increased slightly by 2.1%.

There are some increases to the permit fees in the codes department. Also in Code Enforcement the vacation rental registrations is budgeted at \$120,000 as a result of the \$250 registration fee. Parking ticket revenue move to the Parking Meter Budget. Ambulance revenue was reduced by \$50,000 due to the closure of Sonogee.

Expenditures

Overall spending for municipal operations is up \$234,811 or 2.6%.

Legal 1018- Legal expense has increased significantly due to requesting more legal advice and litigation.

Municipal Building 1024-The part time wage is up but the contract services for cleaning is zero because Randy is doing both jobs now.

Employment Benefits 1028- Since the settlement with the Teamsters Union this fall all employees are now covered under the PPO 1500 plan with a health reimbursement account. The shared premium cost remained at 20% employee and 80% town. Workers Compensation is stable and Unemployment costs are lower.

Code Enforcement 1030- There is a \$28,000 budget line for vacation rental monitoring by an outside vendor.

Planning 1034- The wages are increased 24% to cover the new Planning Director's salary. There is also \$7,500 for consulting fees for the Planning Department to get assistance with ordinance amendments and projects.

Fire/EMS Budget- 1042- Hourly wages increased to cover a new worker to start October 1. Although wages and holiday pay increased, overtime, part time and per diem lines were reduced. Call Firefighter pay increased from \$11 to \$12/hr.

Parks & Rec 1059- There is an increase in pest and fertilizing control costs to switch to an organic based product.

Non-profits 1059- The Chamber requested an increase in fireworks and holiday decorations to cover the cost of putting banners on the Cottage Street poles.

Solid Waste-1079- This budget reflects sending waste and recyclables to Fiberight for the full year. The facility is expected to open in April.

Cruise Ship Fund

The Cruise Ship Fund reflects a 25% increase in revenues to \$1,133,840. The fee increased to \$4.46 per passenger. The cruise fund transfers \$369,821 to offset town operation costs and

\$605,492 to offset capital improvement costs. Included in the CIP is a transfer of \$220,000 to the Cottage Street and Lower Main Street streetscape projects from the CS fund balance. CS funds are paying \$25,000 towards the new debt to purchase the terminal property. For the first time there is a contribution to the Lifeflight Foundation since it has been used many times for passengers. Consulting funds for the Harbor Committee's work is also included.

Parking Fund

This is the first year of the parking meters and kiosks. The revenue estimate is \$510,751. The fund will pay the debt (pg 4 of CIP expenses) on the meters and for operating and equipment expenses. The meters and kiosks should be operational by mid-May. \$59,746 will be transferred into the General Fund to cover GF operational expenses.

Capital Improvements

CIP funding is up 13.6% due in most part to the new debt payment on the bond issue approved last year for the Ferry Terminal property and parking meters (meters are paid for from parking revenue) and the cost to rebuild the tennis court (\$90,000) and the Comp Plan (\$50,000). I've included a picture of the tennis court's condition before it was covered with snow. I've included the \$200,000 lease payment from Bay Ferries in the revenue section, but it is still up in the air. Also on the Revenue page there is a transfer (\$260,000) from the Parking Meter Fund to pay debt and meter related equipment.

Assessing- The Assessor plans to start the downtown property revaluation, \$20,000 expense.

Planning- \$50,000 appropriation to start the Comp Plan update.

Fire- There is some catch up for reserves in this account because last year we lowered appropriations for the new ladder truck purchase. We are catching up to be ready for the Engine #5 replacement in 4 years.

Police- One cruiser is scheduled for purchase.

Public Safety Building- Expense of \$100,000 for renovations at the PD by using cruise ship funds, reimbursed training funds and cell tower lease revenue.

Parks- The tennis court is need of resurfacing. The appropriation this year is \$90,000. \$55,000 from the undesignated fund balance is going towards this work's cost of \$105,000.

School- There is \$250,000 in renovation reserve to replace the water line.

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



Tennis Court

Bar Harbor FY 2020 Budget Tax Calculation

	FY17	FY18	FY19	FY20	CHANGE	
DEPARTMENT EXPENSE SUMMARIES	Actual	Actual	Orig. Budget	Budget Apprvd		
Town Council	\$ 33,267	\$ 33,603	\$ 39,537	\$ 39,992	\$ 455	1.2%
Town Manager	\$ 120,121	\$ 122,487	\$ 129,852	\$ 131,109	\$ 1,257	1.0%
Town Clerk	\$ 111,685	\$ 114,360	\$ 125,904	\$ 124,552	\$ (1,352)	-1.1%
Finance Dept	\$ 322,520	\$ 336,097	\$ 350,562	\$ 357,476	\$ 6,914	2.0%
Town Attorney	\$ 18,858	\$ 39,788	\$ 36,950	\$ 47,950	\$ 11,000	29.8%
Elections	\$ 18,326	\$ 11,311	\$ 15,523	\$ 18,734	\$ 3,211	20.7%
Technology	\$ 125,165	\$ 177,599	\$ 158,396	\$ 164,874	\$ 6,478	4.1%
Municipal Building	\$ 73,551	\$ 74,682	\$ 80,196	\$ 79,511	\$ (685)	-0.9%
Town Offices	\$ 37,465	\$ 38,898	\$ 40,851	\$ 42,745	\$ 1,894	4.6%
Employee Benefits	\$ 1,436,084	\$ 1,573,455	\$ 1,562,759	\$ 1,598,164	\$ 35,405	2.3%
Code Enforcement	\$ 65,125	\$ 75,499	\$ 72,687	\$ 101,923	\$ 29,236	40.2%
Assessing	\$ 126,884	\$ 132,787	\$ 141,626	\$ 148,088	\$ 6,462	4.6%
Planning	\$ 134,624	\$ 123,272	\$ 131,839	\$ 209,871	\$ 78,032	59.2%
Miscellaneous	\$ 218,955	\$ 213,140	\$ 242,323	\$ 246,583	\$ 4,260	1.8%
Fire / EMS	\$ 800,244	\$ 839,570	\$ 887,630	\$ 933,497	\$ 45,867	5.2%
Public Fire Protection	\$ 585,604	\$ 585,604	\$ 585,602	\$ 585,602	\$ -	0.0%
Police Dept.	\$ 1,036,534	\$ 1,209,540	\$ 1,273,053	\$ 1,283,376	\$ 10,323	0.8%
Dispatch	\$ 214,261	\$ 223,539	\$ 227,568	\$ 234,853	\$ 7,285	3.2%
Public Safety Bldg	\$ 35,282	\$ 41,768	\$ 43,548	\$ 49,904	\$ 6,356	14.6%
Street Lights	\$ 71,608	\$ 64,160	\$ 71,575	\$ 71,575	\$ -	0.0%
Harbor Dept	\$ 111,474	\$ 119,500	\$ 124,401	\$ 125,758	\$ 1,357	1.1%
Parks & Rec	\$ 236,375	\$ 352,720	\$ 429,722	\$ 438,577	\$ 8,855	2.1%
General Assistance	\$ 1,700	\$ 419	\$ 1,187	\$ 1,187	\$ -	0.0%
Cooperating Agency	\$ 40,038	\$ 45,092	\$ 45,092	\$ 57,681	\$ 12,589	27.9%
Comfort Station	\$ 93,438	\$ 98,939	\$ 98,122	\$ 99,728	\$ 1,606	1.6%
Public Works	\$ 143,258	\$ 140,345	\$ 149,726	\$ 153,081	\$ 3,355	2.2%
Highway Dept	\$ 1,038,935	\$ 1,076,031	\$ 1,081,514	\$ 1,111,669	\$ 30,155	2.8%
Solid Waste	\$ 641,258	\$ 711,426	\$ 731,455	\$ 723,540	\$ (7,915)	-1.1%
SUBTOTAL	\$ 7,892,639	\$ 8,575,631	\$ 8,879,200	\$ 9,181,600	\$ 302,400	3.4%
Capital Improvements Transfer	\$ 1,775,644	\$ 1,691,003	\$ 2,296,005	\$ 2,508,273	\$ 212,268	9.2%
School Local - Transfer	\$ 5,365,115	\$ 5,400,763	\$ 5,430,046	\$ 5,674,670	\$ 244,624	4.5%
Other Transfers out	\$ -	\$ -	\$ -	\$ -	\$ -	
TOTAL Expense Taxable	\$ 15,033,398	\$ 15,667,397	\$ 16,605,251	\$ 17,364,543	\$ 759,292	4.6%
Hancock County	\$ 599,218	\$ 641,082	\$ 698,528	\$ 735,028	\$ 36,500	5.2%
MDI High School Assessment	\$ 2,997,795	\$ 3,122,142	\$ 3,152,145	\$ 3,140,660	\$ (11,485)	-0.4%
OVERLAY	\$ 53,569	\$ 44,079	\$ 85,019	\$ 48,332	\$ (36,687)	-43.2%
TOTAL ASSESSMENT	\$ 18,683,980	\$ 19,474,700	\$ 20,540,943	\$ 21,288,563	\$ 747,620	3.6%
REVENUES						
General Revenues	\$ 2,438,784	\$ 2,836,441	\$ 2,561,348	\$ 2,727,442	\$ 166,094	6.5%
Reserves-Use of Fund Balance	\$ 105,000	\$ 85,000	\$ 70,000	\$ 55,000	\$ (15,000)	-21.4%
Transfers In -Cruise Ship & Parkng Fees	\$ 277,262	\$ 360,066	\$ 364,479	\$ 435,692	\$ 71,213	19.5%
SUBTOTAL (REVENUES)	\$ 2,821,046	\$ 3,281,507	\$ 2,995,827	\$ 3,218,134	\$ 222,307	7.4%
State Revenue Sharing	\$ 128,220	\$ 128,220	\$ 127,000	\$ 178,000	\$ 51,000	40.2%
TOTAL DEDUCTIONS	\$ 2,949,266	\$ 3,409,727	\$ 3,122,827	\$ 3,396,134	\$ 273,307	8.8%
Net Commitment	\$15,896,515	\$16,409,251	\$17,418,116	\$17,892,429	\$474,313	2.7%
Taxable Valuation	\$ 1,481,606,195	\$ 1,497,194,400	\$ 1,506,757,400	\$ 1,509,909,600	\$ 3,152,200	0.2%
Mill Rate	10.73	10.96	11.56	11.85	0.29	2.5%
Total Municipal Budget	\$ 9,811,694	\$ 10,250,589	\$ 11,175,205	\$ 11,689,873		
- Total Deductions	\$ 2,913,877	\$ 3,049,403	\$ 3,122,827	\$ 3,396,134		
= Municipal Property Tax	\$ 6,897,817	\$ 7,201,186	\$ 8,052,378	\$ 8,293,739	\$ 241,361	3.0%
LD-1 Levy Limit - maximum	\$ 7,040,190	\$ 7,389,121	\$ 7,707,492	\$ 8,016,991	\$ 309,499	4.0%
Difference for LD-1 (under limit)	\$ (142,373)	\$ (187,935)	\$ 344,886	\$ 276,748	\$ (68,138)	

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
Assessments					
County Assessment	735,028	0	0	735,028	4.5%
High School Assessment	3,140,660	0	0	3,140,660	-1.1%
Overlay	48,332	0	0	48,332	-43.6%
Total Assessments	3,924,020	0	0	3,924,020	-1.0%
Municipal Budget					
General Fund	9,181,600	3,341,134	0	5,840,466	-0.5%
Capital Improvement Program Fund	3,759,290	1,251,017	55,000	2,453,273	9.4%
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	1,145,862	925,862	220,000	0	n/a
Parking Meter Fund	432,611	432,611	0	0	n/a
Total Municipal Budget	14,525,463	5,956,724	275,000	8,293,739	2.2%
	Approp. warrant			LD-1	
Education Budget					
Elementary School Fund	6,502,577	514,000	313,907	5,674,670	3.7%
Total Education Budget	6,502,577	514,000	313,907	5,674,670	3.7%
		8%	5%	87%	
Grand Totals	24,952,060	6,470,724	588,907	17,892,429	2.0%

mill rate calc:
 $\frac{17,892,429}{1,509,909,600}$
 0.01185

Tax Rate Change	
Estimated Tax Rate Next Year	\$11.85
Actual Tax Rate This Year	\$11.56
Est. Tax Rate Increase	\$0.29
	2.5%

Total Taxable Valuation Next Year
 \$1,509,909,600

What Will It Cost Me?		
Median Home Value	Total Tax Increase Per Month	Total Tax Increase Per Year
\$289,300	\$6.99	\$84

TAX BILL BREAKDOWN
PROPERTY TAX COMMITMENT = \$17,892,429

