

FY 23 Manager's Budget for Bar Harbor Maine



*“Not everything that is faced can be changed, but
nothing can be changed unless it is faced.”*

- James Baldwin

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Introduction to a Municipal Budget

- **What is a municipal budget?**

- All of the expenses and revenues that the Town of Bar Harbor needs to provide quality services for its citizens for a full fiscal year

- **What is a Fiscal Year?**

- The Town's Fiscal Year is July 1st – June 30th
- The “Year” is represented by the last day of that fiscal year.
- Example: Fiscal Year 2023 (the one we'll be working on), goes from July 1, 2022 to June 30, 2023

Introduction to a Municipal Budget

- **What is the property tax rate?**

- The Town calculates taxes by multiplying the tax rate by the property value

- **What is the Mil Rate?**

- The Mil Rate is the property tax rate per \$1000 of property value
- For Fiscal Year 2022, the Mil Rate was \$9.74
- Example: The Median Home assessed value* in Bar Harbor was \$400,700.

$$\$400.70 \times \$9.74 = \$3,903$$

or **\$325** per month

* Non-Waterfront Homes

Functions of Government

- A broad interpretation, but government has three primary functions:



59.1%



13.6%



18.2%

Link to Bar Harbor's [FY22 Adopted Operating Budget](#)

Functions of Government

Government is in place to create order and allow all the opportunity to lead happy, healthy, and successful lives. However one defines it.



- Education is the key to the future strength of a community, state, and a nation.



- Public, Health, and Life safety – Police, Fire, and Code enforcement provide a sense of security for a community to feel safe and trust that they are supported by something bigger.



- Public Infrastructure – Roads, Bridges, Water, Sewer, Parks – the infrastructure which allows us to get from point A to point B and to enjoy the inbetween.

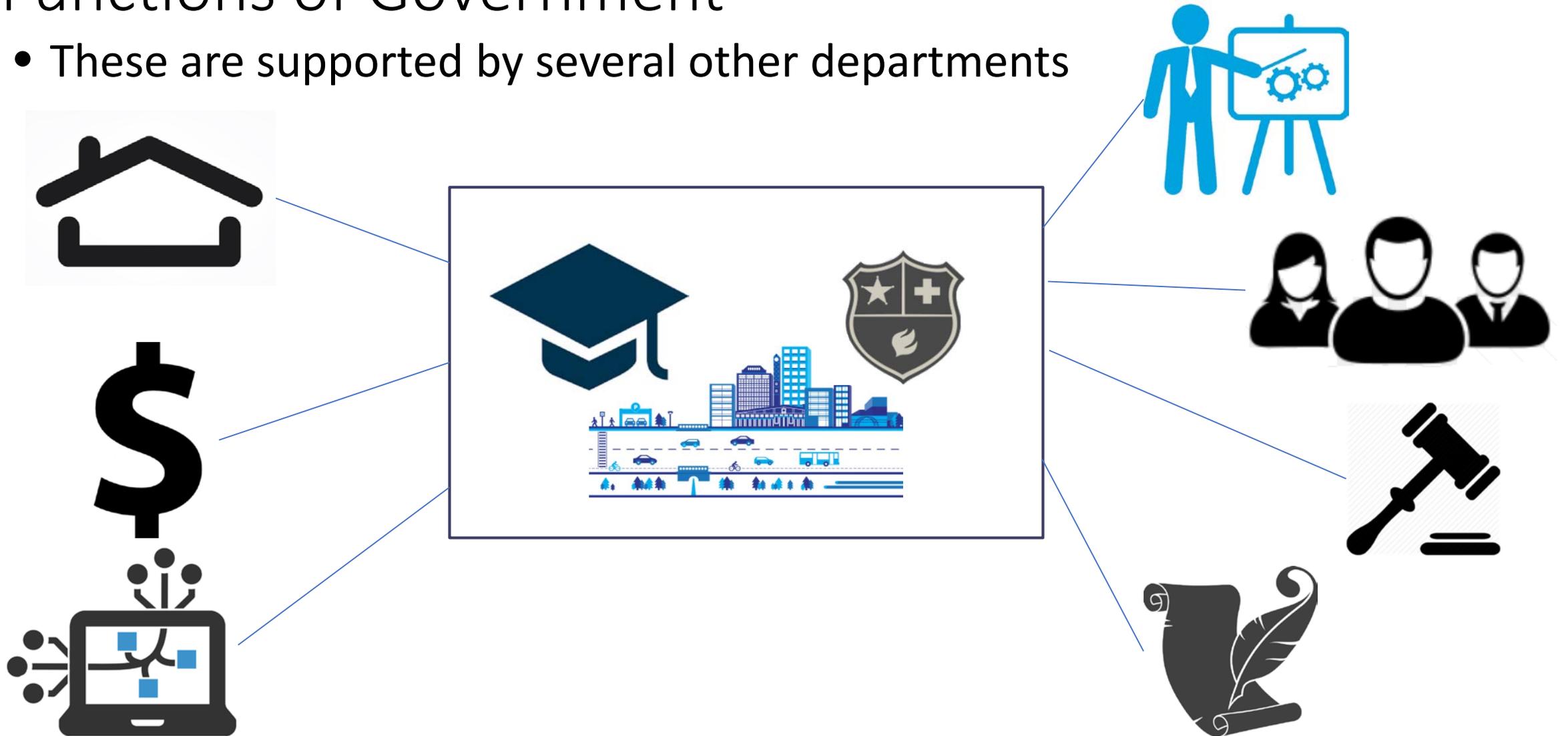
Functions of Government

- These three functions represent 90.9% of the total annual budget



Functions of Government

- These are supported by several other departments



How do we pay for all this?

- In Maine, primarily with property taxes.
- Assessed value in Bar Harbor is over 1.9 billion dollars.
- The total budget for the town is around 25 million dollars
- Just under 20 million of that was paid for with property taxes.
- Simple math: $20,000,000 / 2,000,000,000 = .01$
(or \$10 per thousand of value) (current year mil rate is \$9.74)

Costs rise, taxes rise.

I can't afford it!

Simple math: $20,600,000 / 2,000,000,000 = .0103$
(or \$10.30 per thousand of value)

What if we increase the value by the same amount as the increase in cost?
 $20,600,000 / 2,060,000,000 = .01$ (back to \$10)

What if we increase the value at a faster rate?
 $20,600,000 / 2,080,000,000 = .0099$ (or \$9.90 per \$1,000)

What can we do?

- Support Bar Harbor.
- Support smart growth in our town.
- Tell your friends, once we've fixed the housing crunch, to move here.
- Tell your friends who own businesses to consider expanding.
- Tell your colleagues to start a business in Bar Harbor.
- Start a business in Bar Harbor.
- Shop, dine, live, swim, walk, bike, love Bar Harbor.
- Get involved.
- Make a difference.

Phases of our Budget Process

1. Establish a Maintenance of Effort (MOE)
2. Identify Service Enhancements (SEs) to the Budget
3. Presentations to the Warrant Committee and Town Council
4. Follow up Changes considered by Town Council
5. Warrant Committee Meetings to prepare recommendations
6. Joint Meeting of the Town Council and Warrant Committee
7. Council Tentatively Adopts Budget and Schedules Public Hearing
8. Council holds Public Hearing on the Budget
9. Annual Town Meeting

Phases of our Budget Process

1. Establish a Maintenance of Effort (MOE)

- Maintenance of Effort: Doing the same thing next year that we did last year, but costs change.
- Finance Director and Town Manager meet with Departments to review current year budget, projections, and establish the MOE.
- MOE may consist of:
 - Cost of Living Adjustments,
 - changes in contractual agreements,
 - (and in the future), the reduction of one-time expenses

Phases of our Budget Process

2. Identify Service Enhancements (SEs) to the Budget

Further discussion with the Departments identified areas of need that could be supported with additional funding.

- SEs added to the Manager's budget:
 - Being new to the community and given the conversations that I have had with departments, Councilors, committee members, and community leaders, its important we have these broader conversations about Bar Harbor and the services provided.
 - For this year, the Manager's Office is supporting all department identified needs (following what Mr. Baldwin so eloquently quoted).

Phases of our Budget Process

- **SEs added to the Manager's budget:**

- Being new to the community and given the conversations that I have had with departments, Councilors, committee members, and community leaders, its important we have these broader conversations about Bar Harbor and the services provided.
- For this year, the Manager's Office is supporting all department identified needs (following what Mr. Baldwin so eloquently quoted).
- These are the areas where the I believe the Council and the Warrant Committee can have the most impact in supporting service enhancement or helping staff understand the priorities our elected officials have at this time.

Phases of our Budget Process

3. Presentations to the Warrant Committee and Town Council

Elements of the budget including operating and capital and SEAs will be presented to the two elected bodies over the course the next three weeks (1/27 – 2/8).

4. Follow up Changes considered by Town Council

Changes to the budget from the prior presentation meetings should be considered at the next budget meeting (2/3 - 2/10)
(Please submit motions/items for consideration ASAP)

Phases of our Budget Process

Thursday, January 27th (6pm):

3. Presentations and Q+A:

- Planning Department
- Finance Department
- Town Clerk
- Town Manager
 - Agencies with SEs

Phases of our Budget Process

Thursday, February 3rd (6pm):

4. Council motions for Changes to:

- Planning Department
- Finance Department
- Town Clerk
- Town Manager
 - Agencies with SEAs

3. Presentations and Q+A:

- Public Works

Phases of our Budget Process

Tuesday, February 8th (6pm):

4. Council motions for Changes to:

- Public Works

3. Presentations and Q+A:

- Police Department
- Fire Department
- Conners Emerson School

Phases of our Budget Process

Thursday, February 10th (6pm):

4. Council motions for Changes to:

- Police Department
- Fire Department
- Conners Emerson School
- (and any additional motions to budget line items that may not have been previously addressed or considered)

Phases of our Budget Process

5. Warrant Committee Meetings to prepare recommendations:

01/24 – 6pm: Discuss season ahead

02/07 – 7pm: Review General Government, Agencies, GA

02/16 – 7pm: Public Works, Recreation, Protections

02/21 – 7pm: Education, discuss Feb. 22 joint meeting

(Note: It is not expected that departments or agencies attend, but are attentive to answering questions that arise from these meetings).

Phases of our Budget Process

6. Joint Meeting of the Town Council and Warrant Committee:

Tuesday, February 22nd (6pm):

Warrant Committee submits budget recommendation to the Town Council based on Manager's budget and modifications previously voted on and approved by Council.

- Town Council considers and votes on additional modifications based on the recommendations of the Warrant Committee.

Phases of our Budget Process

7. Council Tentatively Adopts Budget and Schedules Public Hearing:

March 1st, 2022

8. Council holds Public Hearing on the Budget:

March 15th, 2022

9. Annual Town Meeting:

June 7th, 2022

How to Read the Budget Book

- Same as prior years.

1	Manager's Memo Mill Rate Calculation
2	Revenues – General Fund Fee Schedules
3	Expenses – General Fund
4	Cruise Ship Fund
5	Parking Fund
6	Capital Improvement Program
7	Charts & Outstanding Debt
8	Non-Profit Agencies #1059
9	Cooperating Agencies #1068
10	School

Manager's Budget - Overview

	FY22 - Adopted	FY23 - Manager	Change	
Expenditures				
Municipal Operations	\$9,968,271	\$11,459,208	\$1,490,937	15.0%
Capital Improvements	\$2,073,092	\$2,281,720	\$208,628	10.1%
Education	\$9,588,489	\$10,746,624	\$1,158,135	12.1%
County Tax and Overlay	\$923,261	\$968,989	\$45,728	5.0%
Total	\$22,553,113	\$25,456,541	\$2,903,428	12.9%
Revenues				
Total	\$3,735,491	\$4,976,424	\$1,240,933	33.2%
Net Commitment	\$18,817,622	\$20,480,117	\$1,662,495	8.8%

Manager's Budget – Overview

Tax Levy	\$18,817,622	\$20,480,117	\$1,662,495	8.8%
Assessed Value	\$1,931,994,100	\$1,941,000,000	\$9,005,900	0.5%
Mil Rate	9.74	10.55	0.81	8.3%

Median home (non waterfront) – \$400,700

$.81 \times \$400.70 = \324.56 or **\$27** more per month

Manager's Budget – Maintenance of Effort

- Health Insurance – 4% for Calendar Year 2022 (CY22) and 5% for CY23
- Salary and Wages – 5.9% for non-union employees with additional funding set aside for contract negotiations with the unions.
- Utilities – remains flat due to aggressive assumptions in prior years.
- Gas / Diesel – modest increases in fire / public works.

Manager's Budget – Facing the SEs

- Town Manager's Office
 - Sustainability Coordinator
 - Communications Coordinator
- Clerk's Office
 - Contract out Mass Mailings
- Finance Department
 - Shared HR Manager

Manager's Budget – Facing the SEs

- Public Works
 - Comprehensive Assessment of Infrastructure and Operation Needs
 - An additional Public Works employee
 - Seasonal interns to assist with GIS data collection
- Fire Department
 - Adds a Shared Deputy Fire Chief of EMS with MD
 - An Addition shift (4 additional positions to migrate to 42 hour work week)
- Conners Emerson School
 - Six additional positions

Parking Fund (Brief Overview)

- **Capital expenses:**

- Roads and sidewalks,
- Public Works equipment - Loader, sidewalk plow, vehicles (EV)
- Island Explorer, additional funding this budget for extended routes
- Ferry Terminal lot maintenance

- **Operational expenses:**

- Transfer monies to general fund as revenue source for administrative services

Cruise Ship Fund (Brief Overview)

- **Direct Expenses** ~\$180,000
 - Environmental monitoring, wayfinding, Island Explorer, Insurances, patrol boat fuel, etc.
- **Operating** ~\$239,000
 - Portions of Admin, Port Security, Harbormaster, Comfort Stations, Public Works.
- **Capital Improvement** ~\$246,000
 - Streetscape improvements, Public Safety equipment, signage, restroom replacement, etc.

No Cruise Ship Scenario

CS Fund to Tax Levy	\$0	\$485,000	\$485,000	
Assessed Value	\$1,931,994,100	\$1,941,000,000	\$9,005,900	0.5%
Mil Rate		0.25	0.25	

Median home (non waterfront) – \$400,700

$.25 \times \$400.70 = \100.18 or **\$8.35** more per month

Housekeeping

- Councilors - Please submit budget adjustments and requests for information for departments and agencies to the Town Manager manager@barharbormaine.gov
- Warrant Committee – Please submit questions or requests for information for departments and agencies to the Town Manager manager@barharbormaine.gov
- This will ensure all requests are tracked and addressed.