



March 29, 2021

MEMO

To: Town Meeting Voters

From: Cornell Knight, Town Manager

Re: 2022 Municipal Budget

As per the Town Charter Section C-31-I, the Town Council and the Warrant Committee have reviewed the FY 2022 budget, agree on the totals and recommend its adoption. I anticipate an increase of .7% in the municipal portion of the tax commitment, 5% for the local school, 4.9% for the Hancock County assessment and 1.1% for the High School assessment. The overall tax increase is estimated to be 2.1%. If budgets were approved as proposed and the valuation estimate is on target then the mil rate would increase from \$11.90 to \$12.15. The median home value of \$289,600 would have a \$74 increase in annual taxes.

No new staff are to be hired with this budget.

There is one bond request for \$750,000 to fund the municipal fiber project (in Capital Improvement Budget). There is additional information regarding the town's debt in the Chart section.

This budget proposal does not exceed LD 1 limits. Additional information about that calculation can also be found in the Chart section.

Wage increases are budgeted at 3% to match the Teamsters Union contract.

Some highlights in the budget:

***Revenues***

The use of unassigned fund balance (generally referred to as Surplus) increased to \$100,000 and funds a number of items in the CIP budget and noted by "FB" on the spreadsheet line. I've included the Fund Balance History in the Charts section. Revenue Sharing is increased by \$62,000. We were too conservative last year and it appears the 3.75% level will remain in the state budget. Excise tax increased slightly by 6.7%. Cable franchise fees were increased to

previous level of \$85,000 because Spectrum has not reduced the fee yet and the additional funds received this year will be placed in a reserve fund in the event they do.

### ***Expenditures***

Overall spending for municipal operations is up \$404,049 or 4.2%.

Miscellaneous 1036- Increased line #5334 to expand PR services that Council discussed in their goal's session. Island Explorer #5924 funding is restored (\$40,902) after last year not operating. This year's service will be limited to a bus run from the Village Green to the Park's Welcome Center.

Parks & Rec 1059- Both 4<sup>th</sup> of July Events (\$15,300) and Bar Harbor Band (\$11,656) are restored to pre-pandemic levels.

Emergency Management- 1063-Funding for pandemic expenses is budgeted at \$36,400.

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

The Cruise Ship Fund reflects no large cruise ships in calendar 2021 and 100% of the scheduled passengers arriving in May and June of 2022. The passenger fee will rise to \$4.68. The cruise fund transfers \$97,570 to offset town operation costs and \$76,500 to offset capital improvement costs. CS funds are paying \$25,000 towards the debt on the ferry terminal property.

### ***Parking Fund***

Net Revenue is estimated at \$1,411,500. \$339,534 will transfer to the General Fund to offset town expenses. On pages 3,4 there is a list of transfers to the CIP budget. The favorable impact on taxes (current and future) is \$1,194,935.

### ***Capital Improvements***

CIP funding from taxes is reduced from last year's expenditures.

Technology- There is an appropriation of \$750,000 to fund the municipal fiber project. This would require a town meeting vote to borrow the funds.

Assessing- Additional funds were added to the contract for Revaluation to cover the possible appeals of new valuations.

Planning- An additional \$10,000 was appropriated to complete the Comp Plan update.

Ambulance- A new ambulance is scheduled for this year to replace the 2008 ambulance.

Police- This is the year 2 cruisers are purchased to stay on the target replacement schedule.

Highway- Purchase of a used road grader is budgeted to replace the 31-year-old model. Also funded is the purchase of solar panels with an estimated fair market value of \$77,000.

Solid Waste- Installation of solar panels (\$110,157) on the roof is funded using the balance of the Transfer Station bond issue and the building balance.

Staff and I look forward to answering questions at the town meeting.

### Bar Harbor FY 2022 Budget Tax Calculation

	FY19	FY20	FY21	FY22	CHANGE	
DEPARTMENT EXPENSE SUMMARIES	Actual	Actual	Orig. Budget	Town Manager		
Town Council	\$ 35,212	\$ 36,324	\$ 36,562	\$ 37,312	\$ 750	2.1%
Town Manager	\$ 124,862	\$ 127,035	\$ 133,606	\$ 136,881	\$ 3,275	2.5%
Town Clerk	\$ 118,345	\$ 118,997	\$ 127,852	\$ 129,579	\$ 1,727	1.4%
Finance Dept	\$ 352,773	\$ 356,927	\$ 369,588	\$ 373,945	\$ 4,357	1.2%
Town Attorney	\$ 54,220	\$ 63,093	\$ 47,950	\$ 52,950	\$ 5,000	10.4%
Elections	\$ 13,189	\$ 14,342	\$ 22,227	\$ 16,777	\$ (5,450)	-24.5%
Technology	\$ 155,231	\$ 162,299	\$ 160,481	\$ 180,285	\$ 19,804	12.3%
Municipal Building	\$ 86,046	\$ 72,925	\$ 81,853	\$ 83,808	\$ 1,955	2.4%
Town Offices	\$ 43,163	\$ 53,444	\$ 44,045	\$ 46,266	\$ 2,221	5.0%
Employee Benefits	\$ 1,505,015	\$ 1,616,261	\$ 1,828,895	\$ 1,893,100	\$ 64,205	3.5%
Code Enforcement	\$ 74,430	\$ 102,286	\$ 136,847	\$ 141,310	\$ 4,463	3.3%
Assessing	\$ 137,892	\$ 144,099	\$ 153,735	\$ 161,717	\$ 7,982	5.2%
Planning	\$ 126,426	\$ 200,303	\$ 214,691	\$ 224,276	\$ 9,585	4.5%
Miscellaneous	\$ 201,464	\$ 255,768	\$ 227,900	\$ 284,001	\$ 56,101	24.6%
Fire / EMS	\$ 885,013	\$ 926,568	\$ 993,332	\$ 1,041,192	\$ 47,860	4.8%
Public Fire Protection	\$ 585,604	\$ 585,604	\$ 585,604	\$ 585,604	\$ -	0.0%
Police Dept.	\$ 1,272,780	\$ 1,220,325	\$ 1,327,517	\$ 1,344,585	\$ 17,068	1.3%
Dispatch	\$ 220,185	\$ 230,903	\$ 248,082	\$ 259,226	\$ 11,144	4.5%
Public Safety Bldg	\$ 45,930	\$ 46,884	\$ 45,232	\$ 46,232	\$ 1,000	2.2%
Street Lights	\$ 65,925	\$ 36,519	\$ 20,000	\$ 21,370	\$ 1,370	6.9%
Harbor Dept	\$ 126,722	\$ 121,403	\$ 137,647	\$ 139,848	\$ 2,201	1.6%
Parks & Rec	\$ 416,358	\$ 435,961	\$ 423,687	\$ 463,090	\$ 39,403	9.3%
General Assist./COVID19 Exps	\$ 496	\$ 38,348	\$ 2,460	\$ 39,070	\$ 36,610	1488.2%
Cooperating Agency	\$ 45,092	\$ 57,681	\$ 63,268	\$ 75,023	\$ 11,755	18.6%
Comfort Station	\$ 100,368	\$ 95,962	\$ 103,773	\$ 104,273	\$ 500	0.5%
Public Works	\$ 148,951	\$ 130,961	\$ 160,274	\$ 163,614	\$ 3,340	2.1%
Highway Dept	\$ 1,082,238	\$ 1,061,031	\$ 1,127,420	\$ 1,163,871	\$ 36,451	3.2%
Solid Waste	\$ 773,154	\$ 657,429	\$ 729,694	\$ 759,066	\$ 29,372	4.0%
<b>SUBTOTAL</b>	<b>\$ 8,797,084</b>	<b>\$ 8,969,682</b>	<b>\$ 9,554,222</b>	<b>\$ 9,968,271</b>	<b>\$ 414,049</b>	<b>4.3%</b>
Capital Improvements Transfer	\$ 2,296,005	\$ 2,518,273	\$ 2,089,694	\$ 2,073,092	\$ (16,602)	-0.8%
School Local - Transfer	\$ 5,430,046	\$ 5,674,670	\$ 5,763,043	\$ 6,112,039	\$ 348,996	6.1%
Other Transfers out						
TOTAL Expense Taxable	\$ 16,523,135	\$ 17,162,625	\$ 17,406,959	\$ 18,153,402	\$ 746,443	4.3%
Hancock County Assessment	\$ 698,528	\$ 735,028	\$ 786,763	\$ 833,472	\$ 46,709	5.9%
MDI High School Assessment	\$ 3,152,145	\$ 3,140,660	\$ 3,338,722	\$ 3,476,450	\$ 137,728	4.1%
Overlay Assessment	\$ 85,019	\$ 48,332	\$ 82,941	\$ 89,789	\$ 6,848	8.3%
<b>TOTAL APPROPRIATIONS</b>	<b>\$ 20,458,827</b>	<b>\$ 21,086,645</b>	<b>\$ 21,615,385</b>	<b>\$ 22,553,113</b>	<b>\$ 937,728</b>	<b>4.3%</b>
<b>REVENUES</b>						
General Revenues	\$ 2,942,654	\$ 2,843,391	\$ 2,761,230	\$ 2,842,837	\$ 81,607	3.0%
Reserve-Use of Fund Balance For CIP	\$ 70,000	\$ 55,000	\$ 55,000	\$ 100,000	\$ 45,000	81.8%
Transfers In -Cruise Ship & Parking Fees	\$ 364,326	\$ 436,264	\$ 411,088	\$ 442,654	\$ 31,566	7.7%
<b>SUBTOTAL (REVENUES)</b>	<b>\$ 3,376,980</b>	<b>\$ 3,334,655</b>	<b>\$ 3,227,318</b>	<b>\$ 3,385,491</b>	<b>\$ 158,173</b>	<b>4.9%</b>
State Revenue Sharing	\$ 135,186	\$ 219,210	\$ 178,000	\$ 350,000	\$ 172,000	96.6%
<b>TOTAL DEDUCTIONS</b>	<b>\$ 3,512,166</b>	<b>\$ 3,553,865</b>	<b>\$ 3,405,318</b>	<b>\$ 3,735,491</b>	<b>\$ 330,173</b>	<b>9.7%</b>
Net Commitment	\$17,418,116	\$17,892,429	\$18,210,067	\$18,817,622	\$607,555	3.3%
Taxable Valuation	\$ 1,506,757,400	\$ 1,509,909,600	\$ 1,530,257,700	\$ 1,931,994,100	\$ 401,736,400	26.3%
Mill Rate	<b>11.56</b>	<b>11.85</b>	<b>11.90</b>	<b>9.74</b>	<b>-2.16</b>	<b>-18.2%</b>
Total Municipal Budget	\$ 11,175,205	\$ 11,689,873	\$ 11,643,916	\$ 12,041,363		
- Total Deductions	\$ 3,122,827	\$ 3,396,134	\$ 3,405,318	\$ 3,735,491		
= Municipal Property Tax	\$ 8,052,378	\$ 8,293,739	\$ 8,238,598	\$ 8,305,872		0.8%
LD-1 Levy Limit - maximum	\$ 7,707,492	\$ 8,016,991	\$ 8,279,884	\$ 8,709,829		
<b>Difference for LD-1 (under limit)</b>	<b>\$ 344,886</b>	<b>\$ 276,748</b>	<b>\$ (41,286)</b>	<b>\$ (403,957)</b>	<b>\$ -</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	833,472	0	0	833,472	-16.1%
High School Assessment	3,476,450	0	0	3,476,450	-17.5%
Overlay	89,789	0	0	89,789	0.0%
Total Assessments	4,399,711	0	0	4,399,711	-17.2%
<b>Municipal Budget</b>					
General Fund	9,968,271	3,635,491	0	6,332,780	-19.1%
Capital Improvement Program Fund \$750k-bond	4,508,778	2,435,686	100,000	1,973,092	-23.2%
Dog Control Reserve Fund	2,900	2,900	0	0	n/a
Shellfish Conservation Reserve Fund	3,300	3,300	0	0	n/a
Cruise Ship Fund	224,064	224,064	0	0	n/a
Parking Meter Fund	1,775,910	1,411,500	364,410	0	n/a
Total Municipal Budget	16,483,223	7,712,941	464,410	8,305,872	-20.1%
Approp. Warrant				LD-1	
<b>Education Budget</b>					
Elementary School Fund	7,137,798	608,000	417,759	6,112,039	-16.0%
Total Education Budget	7,137,798	608,000	417,759	6,112,039	-16.0%
		9%	6%	86%	
<b>Grand Totals</b>					
	28,020,732	8,320,941	882,169	18,817,622	-18.2%

Mill Rate Calc:  
18.817622  
 1,931,994,100  
 0.00974

<i>Tax Rate Change</i>	
Tax Rate This year	\$9.74
Tax Rate Last Year	\$11.90
Tax Rate Decrease	(\$2.16)
	<b>-18.2%</b>

Total Taxable Valuation Next Year  
 \$1,931,994,100

<i>What Will It Cost Me?</i>		
Median Home Value	Total Tax Decrease Per Month	Total Tax Decrease Per Year
\$398,900	(\$71.80)	(\$862)

**TAX BILL BREAKDOWN**  
**PROPERTY TAX COMMITMENT = \$18,817,622**

