

TOWN OF BAR HARBOR

Manager's Office

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Cornell F. Knight Town Manager

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May 28, 2020

Memo

To: Town Council

From: Cornell Knight, Town Manager



Re: 2021 Revised Budget

Attached is the revised 2021 budget. Due to the pandemic, revenues were reduced in the general fund as well as the cruise ship and parking budgets. The cruise ship budget reflects no ships in calendar year 2020.

As presented there is no tax increase on the municipal side of the budget and a small increase (.6%) for the Connors Emerson school (see page 6). Adding in the Hancock County and MDI High School assessments, the mil rate is estimated to rise 1.5%, from 11.85 to 12.03. A \$51 increase on a median valued home (see page 6). The school budgets were reduced to reflect lower fuel oil prices and lower health premiums.

Changes in the budget since you first approved it in February have been highlighted in yellow. There is a summary of the changes on page 4. The only addition to the budget is the increase in CIP tennis court repair from \$4,412 to \$25,000, as construction estimates (\$130,000) came back higher than budgeted.

The budget review is Wednesday June 3rd at 5 pm by zoom webinar. I will send a connection notice next week.

Proposed Adjustments to the FY21 Budget since the Town Council Approval of 1/23/2020

Estimated Property Taxes in 1/23/2020 Budget book: \$ 18,321,072

*mill rate 12.03 or 1.5%**mill rate -12.03*

Changes, Due to:

Assessments:

Final County Assessment	\$	(264)	
High School Assessment	\$	<u>88,722</u>	\$ 88,458

Municipal Budget:

Exp Eliminate new police hire & benefits	\$	(87,121)	
Exp Other GF line item cuts (9 items)	\$	(19,600)	
Exp Eliminate Island Explorer subsidy	\$	<u>(40,902)</u>	\$ (147,623)
Rev Reduce Ambulance billings to FY20 bud	\$	23,000	
Rev Eliminate Mt.Des. PD reimbursement	\$	14,390	
Rev Reduce Rent on Isl Exp bldg to contract	\$	15,902	
Rev Reduce Transfers in From Cship Fd	\$	302,789	
Rev Increase Parking Fd support-Hwy wages	\$	(53,173)	
Rev Reduce MV Excise taxes to FY20 bud	\$	<u>35,000</u>	\$ 337,908
CIP Reduce for PSBldg budget error	\$	(50,000)	
CIP Revise Estimate for Tennis Courts	\$	20,588	
CIP Budget line item cuts (19)	\$	(61,388)	
CIP Refinance 2010 Bond	\$	<u>(47,490)</u>	\$ (138,290)
Total Proposed adjustments to Municipal budget:	\$		\$ 140,453

Elementary School:

Rev Changes to 3 revenue items	\$	(74,000)	
Exp Reduced to Health Ins. & Heating Fuel	\$	<u>(61,147)</u>	\$ (135,147)

Revised Estimated Budget: \$ 18,326,378*mill rate 12.03 or 1.5%**(municipal portion 0% tax rate change)*

Other Budget Cuts made that do not impact taxes:

Cruise Ship-Direct Expenses	\$	126,683	
Parking Fund-Direct Expenses	\$	<u>5,000</u>	
Direct Exps - Total			\$ 131,683
Cruise Ship-CIP Transfers	\$	211,881	
Parking Fund-CIP transfers	\$	<u>420,000</u>	
Capital Transfers to CIP Fund			\$ <u>631,881</u>
			\$ 763,564
Cruise Ship Revenues	\$	959,568	
Parking Fund Revenues	\$	<u>182,000</u>	
Total Revenue cuts			\$ 1,141,568

Proposed Adjustments to the FY21 Budget since the Town Council Approval of 1/23/2020

Estimated Property Taxes in 1/23/2020 Budget book: \$ 18,321,072

*mill rate 12.03 or 1.5%***Changes, Brought To Town Council & Warrant by T Mgr:**

Assessments:	\$	88,458	
Municipal Budget:	\$	51,995	
Elementary School:	\$	<u>(135,147)</u>	\$ 5,306

Revised Estimated Budget (from taxes): \$ 18,326,378*mill rate 12.03 or 1.5%**(municipal portion 0% tax rate change)***Council Action (additional cuts) @ 6/3/2020 Budget Meeting:****General Fund:**

4th of July funding (#1059-5926)	\$	(15,300)	
50% of Town Band (#1059-5928)	\$	(5,828)	\$ (21,128)

CIP Fund

Virtual Desktop Software (#2122-6117)	\$	(5,000)	
Town Phone System (#2122-6231)	\$	(2,500)	
Ambulance (#2140-6200)	\$	(26,500)	
Defibrillators (#2140-6202)	\$	(6,000)	
School Bldg Const. Plans (2194-6654)	\$	(60,000)	\$ (100,000)

Council Adopted Budget, as Amended:

Revised Estimated Budget (from taxes): \$ 18,205,250

*Adjusted mill rate 11.95 or .8%**(assessment portion = +5.6%)**(municipal portion = -1.4%)**(school portion = +.6%)*

Bar Harbor FY 2021 Budget Tax Calculation

	FY18	FY19	FY20	FY21	CHANGE	
DEPARTMENT EXPENSE SUMMARIES	Actual	Actual	Orig. Budget	Town Meeting		
Town Council	\$ 33,603	\$ 35,212	\$ 39,992	\$ 36,562	\$ (3,430)	-8.6%
Town Manager	\$ 122,487	\$ 124,862	\$ 131,109	\$ 133,606	\$ 2,497	1.9%
Town Clerk	\$ 114,360	\$ 118,345	\$ 124,552	\$ 127,852	\$ 3,300	2.6%
Finance Dept	\$ 336,097	\$ 352,773	\$ 357,476	\$ 369,588	\$ 12,112	3.4%
Town Attorney	\$ 39,788	\$ 54,220	\$ 47,950	\$ 47,950	\$ -	0.0%
Elections	\$ 11,311	\$ 13,189	\$ 18,734	\$ 22,227	\$ 3,493	18.6%
Technology	\$ 177,599	\$ 155,231	\$ 164,874	\$ 160,481	\$ (4,393)	-2.7%
Municipal Building	\$ 74,682	\$ 86,046	\$ 79,511	\$ 81,853	\$ 2,342	2.9%
Town Offices	\$ 38,898	\$ 43,163	\$ 42,745	\$ 44,045	\$ 1,300	3.0%
Employee Benefits	\$ 1,573,455	\$ 1,505,015	\$ 1,598,164	\$ 1,828,895	\$ 230,731	14.4%
Code Enforcement	\$ 75,499	\$ 74,430	\$ 101,923	\$ 136,847	\$ 34,924	34.3%
Assessing	\$ 132,787	\$ 137,892	\$ 148,088	\$ 153,735	\$ 5,647	3.8%
Planning	\$ 123,272	\$ 126,426	\$ 209,871	\$ 214,691	\$ 4,820	2.3%
Miscellaneous	\$ 213,140	\$ 201,464	\$ 246,583	\$ 227,900	\$ (18,683)	-7.6%
Fire / EMS	\$ 839,570	\$ 885,013	\$ 933,497	\$ 993,332	\$ 59,835	6.4%
Public Fire Protection	\$ 585,604	\$ 585,604	\$ 585,602	\$ 585,604	\$ 2	0.0%
Police Dept.	\$ 1,209,540	\$ 1,272,780	\$ 1,283,376	\$ 1,327,517	\$ 44,141	3.4%
Dispatch	\$ 223,539	\$ 220,185	\$ 234,853	\$ 248,082	\$ 13,229	5.6%
Public Safety Bldg	\$ 41,768	\$ 45,930	\$ 49,904	\$ 45,232	\$ (4,672)	-9.4%
Street Lights	\$ 64,160	\$ 65,925	\$ 71,575	\$ 20,000	\$ (51,575)	-72.1%
Harbor Dept	\$ 119,500	\$ 126,722	\$ 125,758	\$ 137,647	\$ 11,889	9.5%
Parks & Rec	\$ 352,720	\$ 416,358	\$ 438,577	\$ 423,687	\$ (14,890)	-3.4%
General Assistance	\$ 419	\$ 496	\$ 1,187	\$ 2,460	\$ 1,273	107.2%
Cooperating Agency	\$ 45,092	\$ 45,092	\$ 57,681	\$ 63,268	\$ 5,587	9.7%
Comfort Station	\$ 98,939	\$ 100,368	\$ 99,728	\$ 103,773	\$ 4,045	4.1%
Public Works	\$ 140,345	\$ 148,951	\$ 153,081	\$ 160,274	\$ 7,193	4.7%
Highway Dept	\$ 1,076,031	\$ 1,082,238	\$ 1,111,669	\$ 1,127,420	\$ 15,751	1.4%
Solid Waste	\$ 711,426	\$ 773,154	\$ 723,540	\$ 729,694	\$ 6,154	0.9%
SUBTOTAL	\$ 8,575,631	\$ 8,797,084	\$ 9,181,600	\$ 9,554,222	\$ 372,622	4.1%
Capital Improvements Transfer	\$ 1,691,003	\$ 2,296,005	\$ 2,508,273	\$ 2,089,694	\$ (418,579)	-16.7%
School Local - Transfer (EST)	\$ 5,400,763	\$ 5,430,046	\$ 5,674,670	\$ 5,763,043	\$ 88,373	1.6%
Other Transfers out	\$ -	\$ -	\$ -	\$ -	\$ -	
TOTAL Expense Taxable	\$ 15,667,397	\$ 16,523,135	\$ 17,364,543	\$ 17,406,959	\$ 42,416	0.2%
Hancock County	\$ 641,082	\$ 698,528	\$ 735,028	\$ 786,763	\$ 51,735	7.0%
MDI High School Assessment (EST)	\$ 3,122,142	\$ 3,152,145	\$ 3,140,660	\$ 3,338,722	\$ 198,062	6.3%
OVERLAY	\$ 44,079	\$ 85,019	\$ 48,332	\$ 82,941	\$ 34,609	71.6%
TOTAL APPROPRIATIONS	\$ 19,474,700	\$ 20,458,827	\$ 21,288,563	\$ 21,615,385	\$ 326,822	1.5%
REVENUES						
General Revenues	\$ 2,836,441	\$ 2,942,654	\$ 2,727,442	\$ 2,761,230	\$ 33,788	1.2%
Reserves-Use of Fund Balance	\$ 85,000	\$ 70,000	\$ 55,000	\$ 55,000	\$ -	0.0%
Transfers In -Cruise Ship & Parkng Fees	\$ 360,066	\$ 364,326	\$ 435,692	\$ 411,088	\$ (24,604)	-5.6%
SUBTOTAL (REVENUES)	\$ 3,281,507	\$ 3,376,980	\$ 3,218,134	\$ 3,227,318	\$ 9,184	0.3%
State Revenue Sharing	\$ 128,220	\$ 135,186	\$ 178,000	\$ 178,000	\$ -	0.0%
TOTAL DEDUCTIONS	\$ 3,409,727	\$ 3,512,166	\$ 3,396,134	\$ 3,405,318	\$ 9,184	0.3%
Net Commitment	\$16,409,251	\$17,418,116	\$17,892,429	\$18,210,067	\$317,638	1.8%
Taxable Valuation	\$ 1,497,194,400	\$ 1,506,757,400	\$ 1,509,909,600	\$ 1,530,257,700	\$ 20,348,100	1.3%
Mill Rate	10.96	11.56	11.85	11.90	0.05	0.4%
Total Municipal Budget	\$ 10,250,589	\$ 11,175,205	\$ 11,689,873	\$ 11,643,916		
- Total Deductions	\$ 3,049,403	\$ 3,122,827	\$ 3,396,134	\$ 3,405,318		
= Municipal Property Tax	\$ 7,201,186	\$ 8,052,378	\$ 8,293,739	\$ 8,238,598		
LD-1 Levy Limit - maximum	\$ 7,389,121	\$ 7,707,492	\$ 8,016,991	\$ 8,279,884		
Difference for LD-1 (under limit)	\$ (187,935)	\$ 344,886	\$ 276,748	\$ (41,286)	\$ -	

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	786,763	0	0	786,763	7.1%
High School Assessment	3,338,722	0	0	3,338,722	4.7%
Overlay	82,941	0	0	82,941	0.0%
Total Assessments	4,208,426	0	0	4,208,426	6.0%
Municipal Budget					
General Fund	9,554,222	3,350,318	0	6,203,904	4.8%
Capital Improvement Program Fund	3,829,989	1,740,295	55,000	2,034,694	-17.9%
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	332,147	126,559	205,588	0	n/a
Parking Meter Fund	1,654,342	1,385,750	268,592	0	n/a
Total Municipal Budget	15,376,900	6,609,122	529,180	8,238,598	-2.2%
Approp. warrant				LD-1	
Education Budget					
Elementary School Fund	6,702,519	583,000	356,476	5,763,043	0.2%
Total Education Budget	6,702,519	583,000	356,476	5,763,043	0.2%
		9%	5%	86%	
Grand Totals					
	26,287,845	7,192,122	885,656	18,210,067	0.4%

mill rate calc:
 $\frac{18,210,067}{1,530,257,700}$
 0.01190

<i>Tax Rate Change</i>	
Actual Tax Rate Next Year	\$11.90
Actual Tax Rate This Year	\$11.85
Est. Tax Rate Increase	\$0.05
	0.4%

Total Taxable Valuation Next Year
 \$1,530,257,700

<i>What Will It Cost Me?</i>		
Median Home Value	Total Tax Increase Per Month	Total Tax Increase Per Year
\$286,700	\$1.19	\$14

TAX BILL BREAKDOWN
PROPERTY TAX COMMITMENT = \$18,210,067

