



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 4th 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%
SUBTOTAL	\$ 8,797,084	\$ 8,969,682	\$ 9,554,222	\$ 9,968,271	\$ 414,049	4.3%
Capital Improvements Transfer	\$ 2,296,005	\$ 2,518,273	\$ 2,089,694	\$ 2,073,092	\$ (16,602)	-0.8%
School Local - Transfer (EST)	\$ 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 (EST)	\$ 3,152,145	\$ 3,140,660	\$ 3,338,722	\$ 3,408,584	\$ 69,862	2.1%
Overlay Assessment (EST)	\$ 85,019	\$ 48,332	\$ 82,941	\$ 48,332	\$ (34,609)	-41.7%
TOTAL APPROPRIATIONS	\$ 20,458,827	\$ 21,086,645	\$ 21,615,385	\$ 22,443,790	\$ 828,405	3.8%
REVENUES						
General Revenues	\$ 2,942,654	\$ 2,843,391	\$ 2,761,230	\$ 2,869,903	\$ 108,673	3.9%
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%
SUBTOTAL (REVENUES)	\$ 3,376,980	\$ 3,334,655	\$ 3,227,318	\$ 3,412,557	\$ 185,239	5.7%
State Revenue Sharing	\$ 135,186	\$ 219,210	\$ 178,000	\$ 240,000	\$ 62,000	34.8%
TOTAL DEDUCTIONS	\$ 3,512,166	\$ 3,553,865	\$ 3,405,318	\$ 3,652,557	\$ 247,239	7.3%
Net Commitment	\$17,418,116	\$17,892,429	\$18,210,067	\$18,791,233	\$581,166	3.2%
Taxable Valuation	\$ 1,506,757,400	\$ 1,509,909,600	\$ 1,530,257,700	\$ 1,545,257,700	\$ 15,000,000	1.0%
Mill Rate	11.56	11.85	11.90	12.16	0.26	2.2%
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	\$ 3,652,557		
= Municipal Property Tax	\$ 8,052,378	\$ 8,293,739	\$ 8,238,598	\$ 8,388,806		1.8%
LD-1 Levy Limit - maximum	\$ 7,707,492	\$ 8,016,991	\$ 8,279,884	\$ 8,709,829		
Difference for LD-1 (under limit)	\$ 344,886	\$ 276,748	\$ (41,286)	\$ (321,023)	\$ -	

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	833,472	0	0	833,472	4.9%	
High School Assessment	3,408,584	0	0	3,408,584	1.1%	
Overlay	48,332	0	0	48,332	0.0%	
Total Assessments	4,290,388	0	0	4,290,388	1.0%	
Municipal Budget						
General Fund	9,968,271	3,552,557	0	6,415,714	2.4%	
Capital Improvement Program Fund \$750k-bond	4,508,778	2,435,686	100,000	1,973,092	-4.0%	
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	7,630,007	464,410	8,388,806	0.8%	
Approp. Warrant				LD-1		
Education Budget						
Elementary School Fund	7,137,798	608,000	417,759	6,112,039	5.0%	
Total Education Budget	7,137,798	608,000	417,759	6,112,039	5.0%	
		9%	6%	86%		
Grand Totals						
		27,911,409	8,238,007	882,169	18,791,233	2.2%

Mill Rate Calc:
 $\frac{18,791,233}{1,545,257,700} = 0.01216$

<i>Tax Rate Change</i>	
Estimated Tax Rate Next Year	\$12.16
Actual Tax Rate This Year	\$11.90
Est. Tax Rate Increase	\$0.26
	2.2%

Total Taxable Valuation Next Year
 \$1,545,257,700

<i>What Will It Cost Me?</i>		
Median Home Value	Total Tax Increase Per Month	Total Tax Increase Per Year
\$289,600	\$6.29	\$75

TAX BILL BREAKDOWN
PROPERTY TAX COMMITMENT = \$18,791,233

