



January 23, 2024

To: Town Council and Warrant Committee  
From: James Smith, Town Manager

RE: FY 2025 Municipal Budget

Good evening, Chair Peacock and Members of the Town Council as well as Chair Libby and Members of the Warrant Committee and Members of the Public.

I understand that in years past, this presentation format may have looked slightly different, and I appreciate your patience and support as we attempt to refine our processes and try new strategies to allow for a policy level discussion regarding the municipal budget.

As you are well aware, the municipal budget is a priorities document and I trust you will find this document strives to identify and prioritize the goals and objectives for the Town of Bar Harbor.

Before we go too far, I'd like pause and express my thanks to all of our department heads who have worked behind the scenes to get us to this point. Their commitment to the mission and the Town is clear to everyone and I appreciate their adherence to being fiscally responsible and providing us clear feedback on their respective budget requests to allow us to present a unified municipal budget that meets their daily operational needs, and ensures we are targeting projects that work to achieve stated goals and objectives for the Town.

I am also sincerely grateful for your presence here today. Your time and attention are greatly appreciated, as is your commitment and support. All of which makes our work possible.

**Previous Years Highlights:**

Finance:

- o Bond Rating
  - The Town of Bar Harbor maintained a AAA Bond rating from Standard and Poor's and a Aa2 with Moody's.

Police:

- o Implemented a Mental Health Law Enforcement Liaison Program
  - This program has been a huge success for community response, our agency, and our patrol officers in how we handle and follow up with mental health and substance use calls.
- o Less Lethal Launcher Program
  - Purchased, trained, and implemented four new launcher units for frontline patrol. This will allow officers to be able to deploy these units in certain incidents where deadly force might otherwise be needed. This program provides additional options and tools for successful resolutions while minimizing injuries or loss of life.

Harbor:

- o Replacement of the Fisherman's Hoist and Fender Pilings
  - This infrastructure improvement to the Town pier will have a major benefit for the working waterfront.
- o Completion of the Ferry Terminal Master Plan
  - This has been a four-year long process that having now been received by Council will allow for more detailed plans to be developed, funding sources identified, and a project timeline created to bring this project to a reality.

Parking:

- o Kiosk purchase and upgrades
  - These new units allow us to move away from single space meters.

Fire:

- o Completed refurbishment of Tanker #1
- o Received equipment and completed training on dealing with fires and emergencies involving lithium batteries, electric vehicles, and solar installations.
- o Sent employee to paramedic class and another to an advanced EMT class.

Planning:

- o The IworQ online permitting portal went live.
- o Provided meaningful and equitable community engagement opportunities, including a series of Visioning Workshops.
- o Passed four Land Use Ordinance Amendments focused on removing barriers to housing and finalized three Land Use Ordinance amendments that will increase housing opportunities.

Public Works:

- o Initiated construction on the Lower Main Street Sewer, Water and Stormwater Improvements project (CSO program)
- o Design of West Street Pump Station and CSO storage Tank, Retaining Wall repairs and Shared Use Path extension.
- o Preliminary Design for Glen Mary Road Water, Sewer and Stormwater Improvements project.
- o Geotechnical work and layout design for Lifeflight Landing Zone pad at the Ballfield

Highway

- o Road preparations (drainage, ditching, tree trimming) and paving for Rockwood Avenue, East Street, Woodbury Road, Devon Road, Cleftstone Road, and a small section of Indian Point Road.

Water

- o Installed new water Main on Cleftstone Road to improve water quality issues in the neighborhood.
- o Hydrant replacements in the downtown area.

Wastewater

- o Rebuilt Hulls Cove pump stations.
- o Continued to refine hydraulic model for CSO program.
- o Flow meter assessments for Infiltration and Inflow removal.

**Budget Overview**

This has been a difficult budget to construct, as it is the first budget to assume the debt service costs associated with four significant bonds, approved in 2021 and 2022 at Town Meeting.

The priority infrastructure bond, school architectural plans, solar array, and fiber buildout were all projects long overdue and I am confident that the residents and taxpayers of Bar Harbor will be pleased with the end result of the work that will flow from these.

This budget anticipates:

- A \$0.49 increase in the municipal share of the MIL Rate
- A \$1.01 increase in the school share of the MIL Rate
- A \$0.05 increase in the County share of the MIL Rate
- MDI High School is unknown at this time.

As currently proposed, the MIL Rate would increase from \$8.68 to \$10.21

The fiscal tax impact on a home with a median home value of \$522,350 would be \$66.58/month or \$799.00 per year.

We are requesting one (1) new full-time position in the Technology Division to better support the growing demands of digital archives, service repair calls, meeting broadcasts, and other computer and technological demands. However, we are only funding 50% of this cost in this budget as we will not fill the position until January 2025 (6 months).

This budget does exceed the LD 1 limits (see Charts page 22)

**Revenues :**

Revenues other than property taxes are projected at a 10% increase, or approximately an additional \$600,000.

**Expenditures :**

Overall spending for municipal operations is up \$1,141,909 or 8.9%.

A cost center review shows the largest cost drivers are:

- o Employee Benefits with an increase \$205,934
- o Solid Waste with an increase \$225,792

- o Town Manager with a reduction of \$73,682
- o Legal Counsel with a reduction of \$70,000
- o Planning with a reduction of \$40,024

This budget requests a 4.5% COLA adjustment.

**Changes in Budget Format:**

**Parks & Recreation:** has been broken out into two distinct budget sections:

1. **Parks:** These are actual town costs associated with keeping and maintaining parks and other public spaces. These services are either performed by staff or contractors. The town keeps and maintains a level of operational control of the quality and expectation of work that is performed in this section of the budget.
2. **Recreation:** Includes community events, Bar Harbor Band, Jesup Memorial Library, and the YMCA. These services are not performed by town staff and they are generally not bid and the town has little, if any, operational control over the quality and expectation of the services.

**Service Agencies**

Service agencies are being presented as a zero-based budget with new annual requests for funding being received. These agencies will be reviewed annual and a new funding determination will happen with each annual budget.

**Cruise Ship Fund**

The Cruise Ship Fund reflects a 22% decrease in revenues from FY24 to \$750,904. The per passenger fee increased to \$5.54. The Cruise Ship fund transfers \$406,630 to offset town operation costs and \$406,420 to offset capital improvement costs. There is a drawdown of fund balance of \$412,009 in the FY25 budget. CS funds are paying \$79,150 towards existing debt to purchase the Ferry Terminal property as well as signage and Barker and Harborview Park Renovations. For the third year there is a contribution to the Island Explorer for its service to Cruise Ship passengers.

**Parking Fund**

This is the sixth year of paid parking in the Downtown area. The town will be replacing its meters with kiosks in the spring of FY24. The revenue estimate is \$3,506,200. \$365,237

will be transferred to the General Fund's Revenue to offset operational expenses-Administrative, Public Safety and Public Works. \$2,946,820 are allocated for CIP expenditures, including Roads, Sidewalks, Vehicle purchases as well as Bike and Pedestrian roadway improvements.

**Capital Improvements**

Technology:

- o \$65,000 to fund a new phone system.

Planning:

- o \$50,000 for Town Hill Housing.
- o \$50,000 for Implementation of the Comp Plan.

Police:

- o \$50,000 for cruiser replacement & \$20,000 for associated equipment.

Public Safety Building:

- o \$153,000 for building roof, windows and point work to protect building envelope.

Harbor:

- o \$48,000 for four (4) new public transient floats.

Parks:

- o \$135,000 for Glen Mary Renovations.

Highway:

- o \$2,000,000 Road reconstruction and improvements.
- o \$300,000 Sidewalk reconstruction and improvements.
- o \$300,000 Heating system.
- o \$100,000 Eden path lighting upgrades.
- o \$100,000 new truck with plow and equipment.
- o \$70,000 new forklift (eliminates two forklifts and proposes a shared unit)

Debt Service:

- o Total annual debt service spending is \$2,307,062

## Municipal Budget: Budget Summary for Warrant Article

Fund	Appropriation (Expenditures) Requested	Revenues Other Than Prop.Tax	Fund Balance Used	Property Taxes Needed
<b>Assessments</b>				
County Assessment	1,105,370	0	0	1,105,370
High School Assessment	4,396,166	0	0	4,396,166
Overlay	116,509	0	0	116,509
Total Assessments	5,618,045	0	0	5,618,045
<b>Municipal Budget</b>				
General Fund	14,147,754	5,165,738	0	8,982,015
Capital Improvement Program Fund	7,992,215	4,236,492	0	3,755,723
Dog Control Reserve Fund	2,400	2,400	0	0
Shellfish Conservation Reserve Fund	3,000	3,000	0	0
Cruise Ship Fund	1,163,146	750,904	412,241	1
Parking Meter Fund	3,963,628	3,506,200	457,428	0
Total Municipal Budget	27,272,143	13,664,733	869,670	12,737,739
	Approp. Warrant		LD-1	
<b>Education Budget</b>				
Elementary School Fund	8,805,537	747,000	453,063	7,605,474
Total Education Budget	8,805,537	747,000	453,063	7,605,474
<b>Grand Totals</b>	41,695,725	14,411,733	1,322,733	25,961,258

Mill Rate Calc:  
 $\frac{25,961,258}{2,585,782,600}$   
 0.01004

<b>Tax Rate Change</b>	
Tax Rate This year	\$10.04
Tax Rate Last Year	\$8.68
Tax Rate Increase	\$1.36
	<b>15.7%</b>

Total Taxable Valuation Next Year  
 \$2,585,782,600

<b>What Will It Cost Me?</b>		
Median Home Value	Total Annual Tax	Total Tax Increase Per Year
\$522,350	\$5,244	\$710

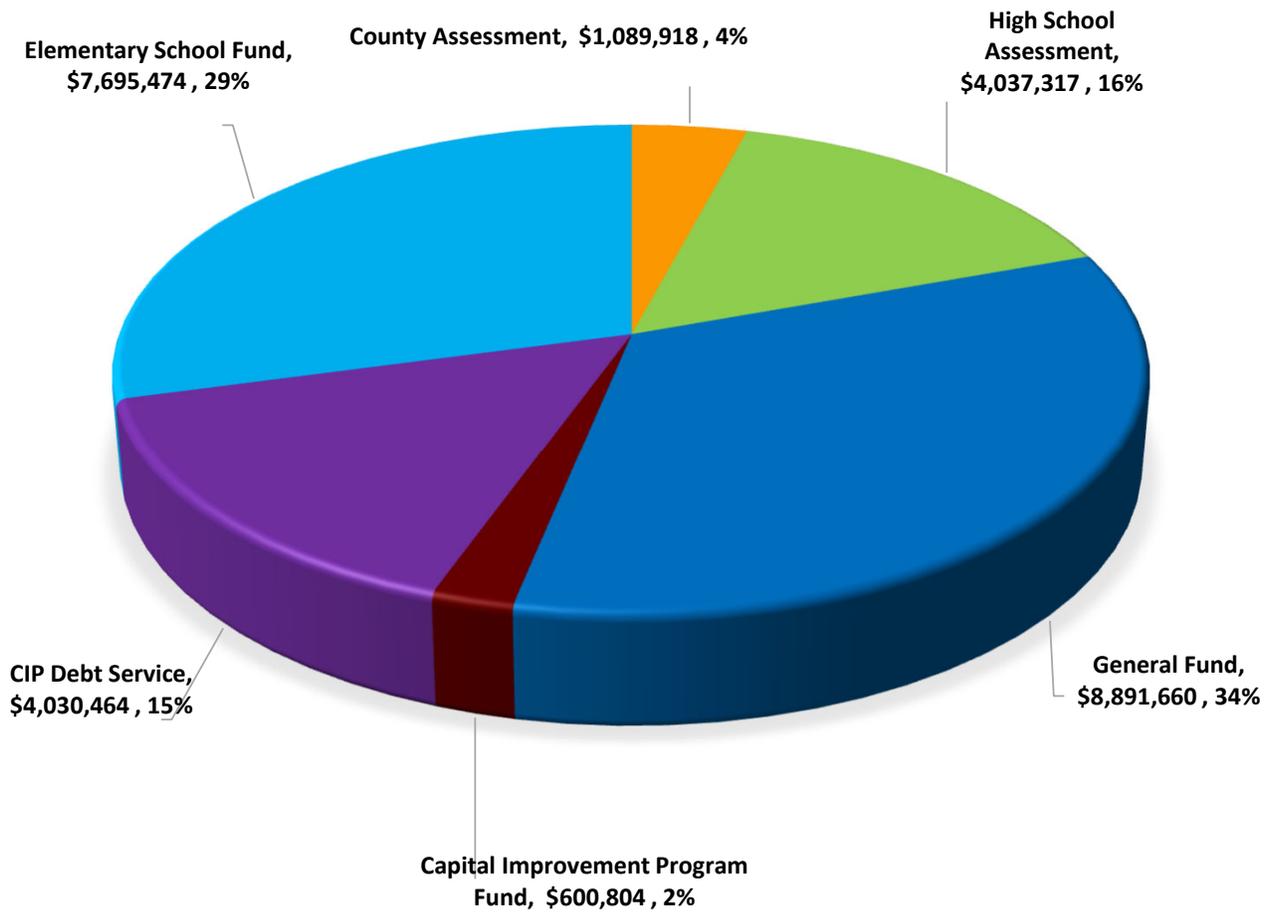
Town of Bar Harbor  
FY2025 Budget Detail

	<b>2024</b>	<b>2025</b>	Budget Δ
<b>Municipal Budget</b>			
General Fund Appropriations	\$ 12,846,092.00	\$ 14,272,646.00	\$ 1,426,554.00
Capital Improvements	\$ 1,812,238.00	\$ 2,354,742.00	\$ 542,504.00
Less: Non-Property Tax Revenues	\$ 3,477,711.00	\$ 3,819,074.00	\$ 341,363.00
Less: GF Undesignated Fund Balance	\$ 78,500.00	\$ -	\$ (78,500.00)
Less: CIP Undesignated Fund Balance	\$ 50,000.00	\$ -	\$ (50,000.00)
Less: Cruise Ships/Parking/ Dog/Shellfish	\$ 763,418.00	\$ 776,156.00	\$ 12,738.00
Less: Revenue Sharing	\$ 475,000.00	\$ 550,000.00	\$ 75,000.00
<b>NET MUNICIPAL BUDGET (from taxation)</b>	<b>\$ 9,813,701.00</b>	<b>\$ 11,482,158.00</b>	<b>\$ 1,668,457.00</b>
<b>Education Budget</b>			
General Education Budget	\$ 8,330,965.00	\$ 8,805,537.00	\$ 474,572.00
Less: School Revenues	\$ 658,000.00	\$ 747,000.00	\$ 89,000.00
Less: Undesignated Fund Balance	\$ 774,565.00	\$ 453,063.00	\$ (321,502.00)
Capital Improvements School	\$ 382,910.00	\$ 2,276,526.00	\$ 1,893,616.00
<b>NET EDUCATION BUDGET</b>	<b>\$ 7,281,310.00</b>	<b>\$ 9,882,000.00</b>	<b>\$ 2,600,690.00</b>
<b>Assessments</b>			
County	\$ 947,755.00	\$ 1,105,370.00	\$ 157,615.00
MDI High School	\$ 3,983,104.00	\$ 4,396,166.00	\$ 413,062.00
Overlay	\$ 111,761.00	\$ 50,000.00	\$ (61,761.00)
<b>TOTAL PROPERTY TAX LEVY</b>	<b>\$ 22,137,631.00</b>	<b>\$ 26,915,694.00</b>	<b>\$ 4,778,063.00</b>
<b>ASSESSED VALUATION</b>	<b>\$ 2,550,418,700.00</b>	<b>\$ 2,580,479,300.00</b>	<b>\$ 30,060,600.00</b>
<b>MUNICIPAL</b>	<b>\$ 3.85</b>	<b>\$ 4.45</b>	<b>\$ 0.60</b>
<b>SCHOOL</b>	<b>\$ 2.85</b>	<b>\$ 3.83</b>	<b>\$ 0.97</b>
<b>COUNTY</b>	<b>\$ 0.37</b>	<b>\$ 0.43</b>	<b>\$ 0.06</b>
<b>HIGH SCHOOL</b>	<b>\$ 1.56</b>	<b>\$ 1.70</b>	<b>\$ 0.14</b>
<b>OVERLAY</b>	<b>\$ 0.04</b>	<b>\$ 0.02</b>	<b>\$ (0.02)</b>
<b>TAX RATE</b>	<b>\$ 8.68</b>	<b>\$ 10.43</b>	<b>\$ 1.75</b>

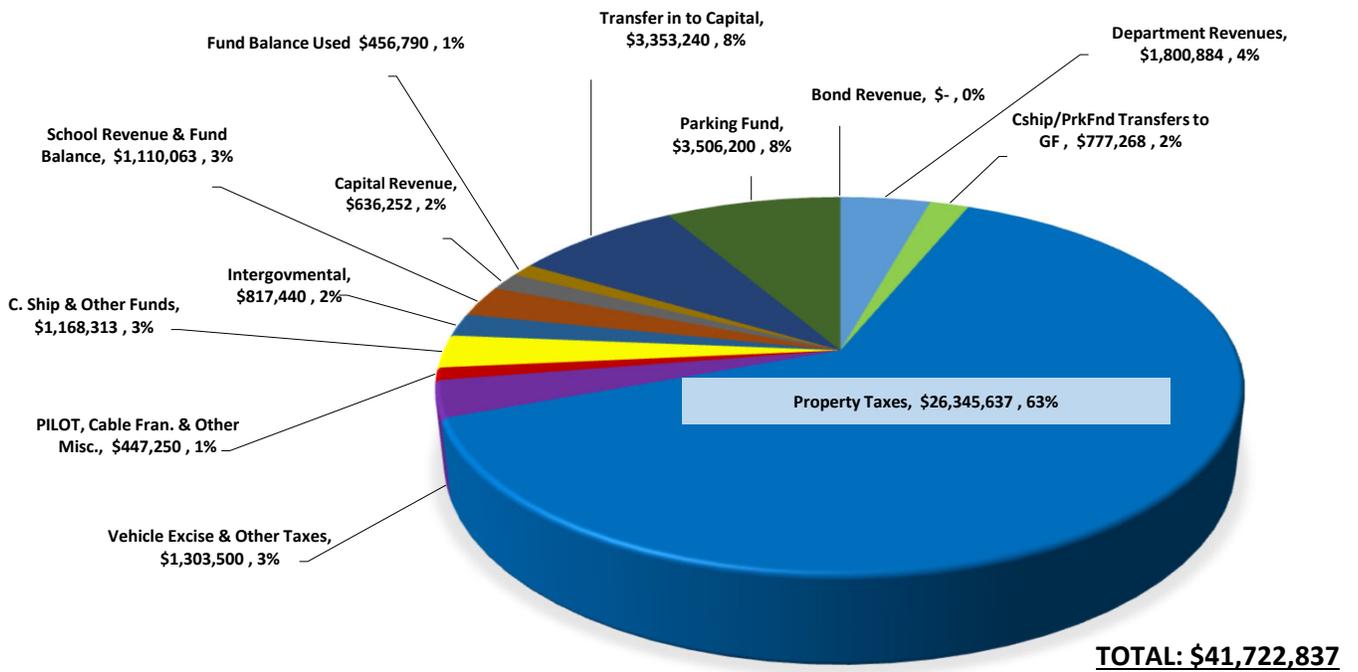
### Bar Harbor FY 2025 Budget Tax Calculation

	FY22	FY23	FY24	FY25	CHANGE	
DEPARTMENT EXPENSE SUMMARIES	Actual	Actual				
Town Council	\$ 38,475	\$ 46,062	\$ 40,490	\$ 46,600	\$ 6,110	15.1%
Town Manager	\$ 133,902	\$ 234,695	\$ 251,842	\$ 178,160	\$ (73,682)	-29.3%
Town Clerk	\$ 116,278	\$ 139,234	\$ 147,749	\$ 161,838	\$ 14,089	9.5%
Finance Dept	\$ 371,566	\$ 432,256	\$ 499,319	\$ 541,503	\$ 42,184	8.4%
Town Attorney	\$ 83,899	\$ 275,773	\$ 200,750	\$ 130,750	\$ (70,000)	-34.9%
Elections	\$ 13,261	\$ 17,924	\$ 23,050	\$ 19,600	\$ (3,450)	-15.0%
Technology	\$ 170,317	\$ 208,908	\$ 228,444	\$ 247,015	\$ 18,571	8.1%
Municipal Building	\$ 82,492	\$ 85,281	\$ 89,327	\$ 98,050	\$ 8,723	9.8%
Town Offices	\$ 48,635	\$ 66,410	\$ 57,000	\$ 66,250	\$ 9,250	16.2%
Employee Benefits	\$ 1,646,709	\$ 2,029,668	\$ 2,300,696	\$ 2,493,630	\$ 192,934	8.4%
Code Enforcement	\$ 144,983	\$ 146,420	\$ 208,954	\$ 205,089	\$ (3,865)	-1.8%
Assessing	\$ 127,437	\$ 139,005	\$ 183,848	\$ 194,629	\$ 10,781	5.9%
Planning	\$ 217,593	\$ 254,550	\$ 472,997	\$ 432,973	\$ (40,024)	-8.5%
Miscellaneous	\$ 348,364	\$ 297,065	\$ 237,000	\$ 332,700	\$ 95,700	40.4%
Fire / EMS	\$ 1,075,204	\$ 1,576,689	\$ 1,706,045	\$ 1,809,648	\$ 103,603	6.1%
Public Fire Protection	\$ 585,604	\$ 585,604	\$ 620,740	\$ 756,331	\$ 135,591	21.8%
Police Dept.	\$ 1,299,378	\$ 1,392,103	\$ 1,597,850	\$ 1,753,558	\$ 155,708	9.7%
Dispatch	\$ 274,050	\$ 292,850	\$ 300,398	\$ 337,817	\$ 37,419	12.5%
Public Safety Bldg	\$ 47,358	\$ 52,586	\$ 58,605	\$ 73,529	\$ 14,924	25.5%
Street Lights	\$ 24,551	\$ 19,516	\$ 15,370	\$ 19,370	\$ 4,000	26.0%
Harbor Dept	\$ 134,093	\$ 122,428	\$ 122,899	\$ 122,661	\$ (238)	-0.2%
Parks	\$ 142,415	\$ 160,998	\$ 212,544	\$ 265,147	\$ 52,603	24.7%
Recreation	\$ 269,000	\$ 303,065	\$ 303,065	\$ 490,217	\$ 187,152	61.8%
General Assist./COVID19 Exps	\$ 55,959	\$ 20,316	\$ 24,200	\$ 14,250	\$ (9,950)	-41.1%
Cooperating Agency	\$ 75,023	\$ 76,036	\$ 71,695	\$ 76,059	\$ 4,364	6.1%
Comfort Station	\$ 120,508	\$ 138,116	\$ 140,163	\$ 150,760	\$ 10,597	7.6%
Public Works	\$ 163,297	\$ 199,168	\$ 314,612	\$ 364,018	\$ 49,406	15.7%
Highway Dept	\$ 1,099,698	\$ 1,405,285	\$ 1,419,783	\$ 1,543,150	\$ 123,367	8.7%
Solid Waste	\$ 859,725	\$ 946,005	\$ 996,658	\$ 1,222,450	\$ 225,792	22.7%
<b>SUBTOTAL</b>	<b>\$ 9,769,774</b>	<b>\$ 11,664,016</b>	<b>\$ 12,846,092</b>	<b>\$ 14,147,753</b>	<b>\$ 1,301,661</b>	<b>10.1%</b>
Capital Improvements Transfer	\$ 1,690,946	\$ 1,699,007	\$ 1,812,238	\$ 1,479,197	\$ (333,041)	-18.4%
School Local - Transfer	\$ 6,112,039	\$ 6,782,772	\$ 6,898,400	\$ 7,605,474	\$ 707,074	10.2%
School CIP	\$ 385,146	\$ 279,613	\$ 382,910	\$ 2,276,526	\$ 1,893,616	494.5%
Total Connors Emerson	\$ 6,497,185	\$ 7,062,385	\$ 7,281,310	\$ 9,882,000	\$ 2,600,690	35.7%
TOTAL Expense Taxable	\$ 17,957,905	\$ 20,425,408	\$ 21,939,640	\$ 25,508,950	\$ 3,569,310	16.3%
Hancock County Assessment	\$ 833,472	\$ 896,367	\$ 947,755	\$ 1,105,370	\$ 157,615	16.6%
MDI High School Assessment	\$ 3,476,450	\$ 3,701,291	\$ 3,983,104	\$ 4,396,166	\$ 413,062	10.4%
Overlay Assessment	\$ 72,671	\$ 72,671	\$ 111,761	\$ 116,509	\$ 4,748	4.2%
<b>TOTAL APPROPRIATIONS</b>	<b>\$ 22,340,498</b>	<b>\$ 25,095,737</b>	<b>\$ 26,982,260</b>	<b>\$ 31,126,995</b>	<b>\$ 4,144,735</b>	<b>15.4%</b>
<b>REVENUES</b>						
General Revenues	\$ 2,842,837	\$ 3,570,172	\$ 3,477,711	\$ 3,837,600	\$ 359,889	10.3%
Reserve-Use of Fund Bal one time Exp		\$ 261,500	\$ 78,500	\$ -	\$ (78,500)	-100.0%
Reserve-Use of Fund Balance For CIP	\$ 100,000	\$ 150,000	\$ 50,000	\$ -	\$ (50,000)	-100.0%
Transfers In -Cruise Ship	\$ 97,500	\$ 238,656	\$ 351,417	\$ 406,863		
Transfers In -Parking	\$ 339,534	\$ 389,315	\$ 406,251	\$ 365,875		
Transfers In -Dog, Shellfish	\$ 5,550	\$ 4,143	\$ 5,750	\$ 5,400	\$ (350)	-6.1%
<b>SUBTOTAL (REVENUES)</b>	<b>\$ 3,385,421</b>	<b>\$ 4,613,786</b>	<b>\$ 4,369,629</b>	<b>\$ 4,615,738</b>	<b>\$ 246,109</b>	<b>5.6%</b>
State Revenue Sharing	\$ 473,452	\$ 514,660	\$ 475,000	\$ 550,000	\$ 75,000	15.8%
<b>TOTAL DEDUCTIONS</b>	<b>\$ 3,858,873</b>	<b>\$ 5,128,446</b>	<b>\$ 4,844,629</b>	<b>\$ 5,165,738</b>	<b>\$ 321,109</b>	<b>6.6%</b>
Net Commitment	\$18,817,622	\$19,915,901	\$22,137,631	\$25,961,258	\$3,823,627	17.3%
Taxable Valuation	\$ 1,931,994,100	\$ 2,136,861,800	\$ 2,550,418,700	\$ 2,585,782,600	\$ 35,363,900	1.4%
Mill Rate	<b>9.74</b>	<b>9.32</b>	<b>8.68</b>	<b>10.04</b>	<b>1.36</b>	<b>15.7%</b>
Total Municipal Budget	\$ 12,041,363	\$ 13,427,644	\$ 15,041,240	\$ 17,903,476	\$ 2,862,236	19.0%
- Total Deductions	\$ 3,735,491	\$ 5,128,446	\$ 4,844,629	\$ 5,165,738	\$ 321,109	6.6%
= Municipal Property Tax	\$ 8,305,872	\$ 8,299,198	\$ 10,196,611	\$ 12,737,738	\$ 2,541,127	24.9%
LD-1 Levy Limit - maximum	\$ 8,709,829	\$ 8,982,008	\$9,481,096	\$9,983,396	\$502,300	5.3%
<b>Difference for LD-1 (under limit)</b>	<b>\$ (403,957)</b>	<b>\$ (682,810)</b>	<b>\$ 715,515</b>	<b>\$ 2,754,341</b>		

**TAX BILL BREAKDOWN**  
**PROPERTY TAX COMMITMENT = \$26,345,638**



**ALL REVENUES BY SOURCE**



**BREAKOUT OF ALL EXPENDITURES**

