



**MEMO
MIL RATE**

**REVENUES
FEE SCHEDULE**

BUDGETS

CRUISE SHIP

**CAPITAL IMPROVEMENT
PROGRAM**

**TOWN OF BAR HARBOR
FY17 BUDGET**

CHARTS

AGENCY REQUESTS

**As Adopted by Town Meeting
June 7, 2016**

SCHOOL



April 14, 2016

MEMO

To: Town Council and Warrant Committee

From: Cornell Knight, Town Manager

Re: 2017 Municipal Budget

The Town Council and Warrant Committee have completed their reviews of the 2017 budget. As it stands now, with increased expenditures in Town at 2.56% (Operations and Capital), Hancock County at 2.6%, all Schools at 1.7% increase and offset by small increase in revenues and valuation, the tax rate is estimated to rise 1.6% with the Town Council budget and 1.3% with the Warrant Committee budget. The difference in the two budgets is the \$50,000 for broadband engineering in the Capital Improvements budget. The mil rate would rise from \$10.59 to \$10.76 with the Council budget and to \$10.73 with the Warrant Committee budget. As proposed under the Council budget, the annual property tax increase on a median valued home would be \$50 and \$40 under the Warrant Committee.

No new employees are added to the budget and there are no bond/debt requests.

I am utilizing the same format as last year; some budget info is included underneath the budget line and additional info is in the Charts Tab under budget detail. The same format as in previous years is used for Capital Improvements and the Cruise Ship Fund.

There is a Tax Calculation Page (it follows this memo) of all department expenses, revenues, school and county costs, valuation, tax rate and LD 1 limits. There is also a Budget Summary that calculates the gross municipal appropriations number for the warrant article at Town Meeting. The proposed budget is below the LD 1 limit by \$92,373.

Many of the items funded are part of the Town Council Goals. You will find the list of approved Goals in the Charts Tab section of the book.

Some highlights in the budget:

Revenues

Revenue estimates show a 1.1% increase. There will be less use of unassigned fund balance (generally referred to as Surplus) from \$110,000 last year to \$105,000. I've included the Fund Balance History in the Charts Tab section for you to see the use over the years and its declining balance in the last 4 years. Rating agencies were concerned on the use of fund balance during our last bond issue review.

Excise tax and Ambulance billings reflect a slight increase with no change to Revenue Sharing (\$122,000 versus the \$309,000 the town should receive by statute). Building permit fees are slightly lower but Harbor fees are slightly higher.

The fee schedule for all departments is included in the Revenue section. Other than an increase in Ambulance fees, no other changes in fees were made.

Expenditures

Overall spending for operations is up \$176,559 or 2.2%. There is a COLA of 1% for hourly/union staff plus 1% to help offset the increased share of health insurance. The employee/employer split of health premiums goes to 20/80 this year. Department Head staff will receive the 1% for health premium increases only.

A water rate increase caused hydrant rental costs to increase \$61,892, the biggest change in the operations budget.

Fuel expenses reflect \$2.80 per gallon for diesel and unleaded gas at \$2.50. Heating oil is locked in at 98 cents per gallon.

Elections-1020- Although the percent increase (43.4%) is significant the dollar amount (\$5,513) is not too much to cover the cost of the Presidential election.

Tech-1022 Much less spending for equipment purchases this year but still scheduled to replace 10 laptops and PC's.

Employment Benefits 1028- The opt-out program shows a significant increase but reflects actual spending (see the 2015 spent column). Starting July 1, employees will pay 20% of the health premium and the town will pay 80%. The premium increase is estimated at 8% on Jan. 1, as the current year was a 7.5% increase, and 2 additional employees are receiving health coverage. The town's MePERS contribution rate rose 6.7%.

Ambulance- 1040- Increases in over-time and part-time for seasonal coverage and to increase the number of transfer runs, which is reflected in the higher revenues as an offset. There is a stipend increase by contract for paramedics and EMTs.

Police- 1045- The Chief sharing agreement with the Town of Mt. Desert was recently renewed for another year. This agreement covers both the Chief and the Administrative Assistant positions. Many changes are being implemented to share resources between the two departments such as patrol zones, radio frequencies, records management, personnel software, operations policies and supervisory shifts. (Council Goal D-1).

Cruise Ship Fund

The Cruise Ship Fund reflects a 9.8% increase in revenues to \$679,327. A result of increased passenger counts and the increase in fees to \$4.30 per passenger. This fund transfers \$269,222 to offset town operation costs and \$215,821 to offset capital improvement costs. Environmental monitoring costs were reduced to \$4,000 to reflect a less intensive program. Ferry Terminal improvements were reduced in half to \$28,500 and sidewalk improvements were back up to the previous level of \$90,000. There is \$25,000 reserved for encumbrances for a Cottage Street development plan. The encumbrance would come from the cruise ship fund balance. The Maine Port Authority should have the Ferry Terminal under a lease arrangement very soon. (Council Goal E-2)

Capital Improvements

CIP funding is up 4.0%.

Assessing- Commercial Property Revaluation appropriation of \$8,333. (Council Goal A-3).

Technology- The Town Council voted to include the \$50,000 cost of a Broadband Engineering study in the Capital Improvement Budget. (Council Goal E-8). The Warrant Committee voted to reduce that amount to \$0 and not fund it. That is the only difference between the two budgets proposals.

Ambulance- There is a \$55,000 appropriation this year to purchase (\$171,000) a new ambulance; the 2002 ambulance will be sold and is included in the revenue section. Also included are funds to replace the 12 year old Defibrillators because they can no longer be serviced. The department is using one loaner machine until replacements are made.

Police- The Spillman Records Management System (Council Goal D-1) will be funded from reserves and \$8,000 payments in each of the next 2 years. Officers will begin carrying Tasers that will be funded over a number of years. One cruiser is budgeted for purchase.

Harbor- Due to a \$45,000 grant from the Maine Department of Transportation the floats can be replaced a year earlier than planned and at half the cost (50% match).

Highway-The Maine Department of Transportation's Rte. 3 reconstruction project will begin next year, the town's \$540,000 share is already in reserve. That project is scheduled for bidding

in the fall of 2016. There are revenues anticipated from the sale of a plow truck, sweeper and backhoe none of which will be replaced. This will help offset the purchase of an excavator machine to be used for culvert and ditching work. Due to the cost of the Consolidated Work Plan, I am recommending instead, overlay paving on Cottage, Hancock, Wayman, Pleasant, Schooner Head, Indian Point and Bay View. There is budgeted the purchase of a Bobcat loader with attachments and a light truck. There is also a new appropriation of \$11,000 to purchase the solar array in 2022 from ReVision Energy (Council Goal B-2)

Town Debt- - The first year payment on the Fire Station building repair bond has been added. In Year 2 (2018) it is anticipated that the Transfer Station would be renovated with a \$1.5 million bond. (Council Goal E-6). Other possible bonds are fiber installation and Fire Station floor repair.

Staff and I look forward to assisting you with the budget review.

Bar Harbor FY 2017 Budget Tax Calculation

	FY14	FY15	FY16	FY17	CHANGE	
DEPARTMENT EXPENSE SUMMARIES	Actual	Actual	Budget	Proposed		
Town Council	\$ 32,920	\$ 37,388	\$ 37,952	\$ 38,434	\$ 482	1.3%
Town Manager	\$ 131,036	\$ 131,270	\$ 127,031	\$ 126,221	\$ (810)	-0.6%
Town Clerk	\$ 119,475	\$ 123,202	\$ 138,437	\$ 130,167	\$ (8,270)	-6.0%
Finance Dept	\$ 316,215	\$ 322,362	\$ 328,189	\$ 335,594	\$ 7,405	2.3%
Town Attorney	\$ 67,420	\$ 36,982	\$ 19,150	\$ 18,950	\$ (200)	-1.0%
Elections	\$ 10,361	\$ 12,156	\$ 12,717	\$ 18,230	\$ 5,513	43.4%
Technology	\$ 121,486	\$ 147,667	\$ 161,695	\$ 131,514	\$ (30,181)	-18.7%
Municipal Building	\$ 80,273	\$ 96,879	\$ 74,825	\$ 69,568	\$ (5,257)	-7.0%
Town Offices	\$ 37,566	\$ 35,269	\$ 33,452	\$ 35,646	\$ 2,194	6.6%
Employee Benefits	\$ 1,345,347	\$ 1,252,271	\$ 1,376,319	\$ 1,434,848	\$ 58,529	4.3%
Code Enforcement	\$ 69,142	\$ 91,282	\$ 74,851	\$ 75,232	\$ 381	0.5%
Assessing	\$ 115,497	\$ 116,759	\$ 135,528	\$ 134,996	\$ (532)	-0.4%
Planning	\$ 118,722	\$ 91,360	\$ 151,893	\$ 152,984	\$ 1,091	0.7%
Miscellaneous	\$ 180,505	\$ 211,723	\$ 211,104	\$ 220,378	\$ 9,274	4.4%
Ambulance	\$ 391,936	\$ 404,660	\$ 450,258	\$ 469,362	\$ 19,104	4.2%
Fire Dept	\$ 316,107	\$ 327,018	\$ 357,964	\$ 362,562	\$ 4,598	1.3%
Hydrant Rentals	\$ 480,468	\$ 480,468	\$ 523,710	\$ 585,602	\$ 61,892	11.8%
Police Dept.	\$ 919,922	\$ 983,866	\$ 1,028,633	\$ 1,056,841	\$ 28,208	2.7%
Dispatch	\$ 201,945	\$ 204,277	\$ 211,054	\$ 215,590	\$ 4,536	2.1%
Public Safety Bldg	\$ 45,807	\$ 42,602	\$ 38,916	\$ 36,143	\$ (2,773)	-7.1%
Street Lights	\$ 63,278	\$ 69,069	\$ 71,575	\$ 71,575	\$ -	0.0%
Harbor Dept	\$ 121,891	\$ 116,162	\$ 113,786	\$ 115,221	\$ 1,435	1.3%
Parks & Rec	\$ 228,873	\$ 229,730	\$ 235,251	\$ 239,154	\$ 3,903	1.7%
Emerg Mgt & Gen Assist	\$ 1,445	\$ 1,170	\$ 1,444	\$ 1,458	\$ 14	1.0%
Cooperating Agency	\$ 39,843	\$ 45,231	\$ 42,843	\$ 40,038	\$ (2,805)	-6.5%
Comfort Station	\$ 90,729	\$ 83,607	\$ 93,361	\$ 92,432	\$ (929)	-1.0%
Public Works	\$ 143,623	\$ 144,809	\$ 146,122	\$ 147,064	\$ 942	0.6%
Highway Dept	\$ 1,059,443	\$ 1,160,595	\$ 1,007,992	\$ 1,040,312	\$ 32,320	3.2%
Solid Waste	\$ 601,229	\$ 611,136	\$ 655,939	\$ 642,434	\$ (13,505)	-2.1%
SUBTOTAL	\$ 7,452,504	\$ 7,610,970	\$ 7,861,991	\$ 8,038,550	\$ 176,559	2.2%
Capital Improvements Transfer	\$ 1,738,842	\$ 1,820,106	\$ 1,753,435	\$ 1,773,144	\$ 19,709	1.1%
School Local - Transfer	\$ 5,080,953	\$ 5,176,423	\$ 5,223,669	\$ 5,365,115	\$ 141,446	2.7%
Other Transfers out	\$ -	\$ -	\$ -	\$ -	\$ -	
TOTAL Expense Taxable	\$ 14,272,299	\$ 14,607,499	\$ 14,839,095	\$ 15,176,809	\$ 337,714	2.3%
Hancock County Est.	\$ 553,853	\$ 565,744	\$ 584,111	\$ 599,218	\$ 15,107	2.6%
MDI High School Assessment -Est.	\$ 2,606,151	\$ 2,831,140	\$ 2,999,610	\$ 2,997,795	\$ (1,815)	-0.1%
OVERLAY (estimate)	\$ 51,292	\$ 32,045	\$ 32,045	\$ 32,000	\$ (45)	-0.1%
TOTAL ASSESSMENT	\$ 17,483,595	\$ 18,036,428	\$ 18,454,861	\$ 18,805,822	\$ 350,961	1.9%
REVENUES						
General Revenues	\$ 2,360,190	\$ 2,396,046	\$ 2,386,363	\$ 2,411,730	\$ 25,367	1.1%
Reserves-Use of Fund Balance	\$ 288,859	\$ 412,639	\$ 110,000	\$ 105,000	\$ (5,000)	-4.5%
Transfers In -Cruise Ship Fees & Other	\$ 284,259	\$ 268,907	\$ 264,817	\$ 275,147	\$ 10,330	3.9%
SUBTOTAL (REVENUES)	\$ 2,933,308	\$ 3,077,592	\$ 2,761,180	\$ 2,791,877	\$ 30,697	1.1%
State Revenue Sharing	\$ 133,206	\$ 124,871	\$ 122,264	\$ 122,000	\$ (264)	-0.2%
TOTAL DEDUCTIONS	\$ 3,066,514	\$ 3,202,463	\$ 2,883,444	\$ 2,913,877	\$ 30,433	1.1%
Net Commitment	\$14,372,104	\$14,810,010	\$15,588,095	\$15,891,945	\$303,850	1.9%
Valuation (estimate)	\$ 1,435,774,620	\$ 1,449,120,900	\$ 1,471,963,700	\$ 1,481,606,195	\$ 9,642,495	0.7%
Mill Rate (estimate)	0.01001	0.01022	0.01059	0.01073	0.00014	1.3%
Total Municipal Budget	\$ 10,364,851	\$ 12,658,195	\$ 9,615,426	\$ 9,811,694		
- Total Deductions	\$ 4,279,856	\$ 6,458,328	\$ 2,883,444	\$ 2,913,877		
= Municipal Property Tax	\$ 6,084,995	\$ 6,199,867	\$ 6,731,982	\$ 6,897,817	\$ 165,835	2.5%
LD-1 Levy Limit - maximum	\$ 6,444,293	\$ 6,632,283	\$ 6,774,604	\$ 7,040,190	\$ 265,586	3.9%
Difference for LD-1	\$ (359,298)	\$ (432,416)	\$ (42,622)	\$ (142,373)	\$ (99,751)	234.0%

Municipal Budget: Budget Summary for Warrant

Fund	Appropriation (Expenditures) Requested	Revenues Other Than Prop.Tax	Fund Balance Used *	Property Taxes Needed	Tax Rate Change
Assessments					
County Assessment	599,218	0	0	599,218	1.9%
High School Assessment	2,997,795	0	0	2,997,795	-0.7%
Overlay	32,000	0	0	32,000	-0.8%
Total Assessments	3,629,013	0	0	3,629,013	
Municipal Budget					
General Fund	8,038,550	2,808,877	0	5,229,673	2.1%
Capital Improvement Program Fund	2,251,540	478,396	105,000	1,668,144	0.8%
Dog Control Reserve Fund	2,850	2,850	0	0	n/a
Shellfish Conservation Reserve Fund	3,000	3,000	0	0	n/a
Cruise Ship Fund	591,984	591,984	0	0	n/a
Total Municipal Budget	10,887,924	3,885,107	105,000	6,897,817	1.8%
		36%	1%	63%	
		Approp. warrant		LD-1	
Education Budget					
Elementary School Fund	5,908,729	270,000	273,614	5,365,115	2.0%
Total Education Budget	5,908,729	270,000	273,614	5,365,115	2.0%
		5%	5%	91%	
Grand Totals					
	20,425,666	4,155,107	378,614	15,891,945	1.3%
		20%	2%	78%	

Tax Rate Change	
Estimated Tax Rate Next Year	\$10.73
Actual Tax Rate This Year	\$10.59
Est. Tax Rate Increase	\$0.14
	1.3%

Estimated Total Valuation Next Year
\$1,481,606,195

What Will It Cost Me?		
Median Home Value	Total Tax Increase Per Month	Total Tax Increase Per Year
\$296,800	\$3.37	\$40

TAX BILL BREAKDOWN
PROPERTY TAX COMMITMENT = \$15,891,945

