



Town of Mount Desert  
Board of Selectmen  
Agenda

**Special Meeting**  
**Monday, March 9, 2020**

**Location: Meeting Room, Town Hall, Northeast Harbor**

- I. Call to order at 4:00 p.m.**
- II. Unfinished Business**
  - A. Review and Votes on Warrant Articles for May 4 and 5, 2020 Annual Town Meeting*
- III. Other Business**
  - A. Such other business as may be legally conducted*
- IV. Adjournment**

The next regularly scheduled meeting is at 6:30 p.m., Monday, March 16, 2020 in the Meeting Room, Town Hall, Northeast Harbor. A majority of Board of Selectmen may be attending the Warrant Committee meeting 5:30 p.m., Tuesday, March 10, 2020 at the Neighborhood House Community Center. No Selectmen business will be conducted.



**Article 45.** To see what sum the Inhabitants of the Town of Mount Desert will vote to raise and appropriate for Department 851 Libraries, Village Improvement Societies, Recreation, and Public/Social Service Agencies for the 2020-2021 Town Budget.

**Libraries:** \$35,500.00  
**Recreation:** \$88,000.00

**Village Improvement Societies:** \$66,000.00  
**Public/Social Service Agencies:** \$127,387.00

Board of Selectmen recommends \$316,887.00  
Warrant Committee recommends \$XXX.00 (XX Ayes; XX Nays)

**Article 46.** To see if the Inhabitants of the Town of Mount Desert will vote to increase the property tax levy limit by \$20,679 .00. See Appendix G (pg. XX).

**Explanation:** *The State Legislature passed a "tax reform" law known as LD#1. This bill created a maximum municipal tax levy based upon this year's tax, plus an allowance for inflation and the Town's tax base growth due to new construction. However, LD#1 allows Mount Desert voters to increase that tax cap with the approval of a simple majority of the voters at Town Meeting. The only requirement is that a secret vote must be taken by written ballot.*

Board of Selectmen recommends  
Warrant Committee recommends (XX Ayes; XX Nays)

**2020-2021 ESTIMATED TAX RATE**

	<b>Proposed F.Y. 2020-2021</b>	<b>Budget Last Year F.Y. 2019-2020</b>	<b>Increase / (Decrease)</b>	<b>% Change</b>
Municipal Budget (a)	\$10,465,444	\$10,207,499	\$257,945	2.46%
Less Projected Revenues (b)	\$1,698,510	\$1,700,430	(\$1,920)	-0.11%
<b>Net Municipal Budget</b>	<b>\$8,766,934</b>	<b>\$8,507,069</b>	<b>\$259,865</b>	<b>2.96%</b>
Elementary School (c)	\$4,089,963	\$4,001,467	\$88,496	2.16%
High School (d)	\$3,155,425	\$2,921,458	\$233,967	7.41%
Hancock County Tax (e)	\$997,203.66	\$947,341	\$49,863	5.00%
<b>Total Budget</b>	<b>\$18,708,036</b>	<b>\$18,077,765</b>	<b>\$630,271</b>	<b>3.37%</b>
<b>Amount To Be Raised</b>	<b>\$17,009,526</b>	<b>\$16,377,335</b>	<b>\$632,191</b>	<b>3.72%</b>
Estimated Taxable Valuation (f)	\$2,075,110,120	\$2,072,281,620	\$2,828,500	0.14%
Estimated 2018-2019 Tax Rate	\$8.27	\$7.95	\$0.32	3.87%

**2020-2021 ESTIMATED TAX RATE / OVERLAY**

Est 2020-2021 Valuation times mill rate of	\$8.27	\$17,100,432	2019-2020 Tax Rate	\$7.95	per \$1,000
2020-2021 amount to be raised		\$17,009,526	2020-2021 Tax Rate	\$8.27	per \$1,000
<b>Estimated Overlay</b>		<b>\$90,906</b>	<b>% Increase In Tax Rate</b>	<b>3.87%</b>	

Each \$0.10 on the tax rate raises \$207,500

To Reduce Mill Rate by:	\$0.10	Requires either reducing	\$207,500
	\$0.20	spending or increasing	\$415,000
	\$0.30	revenues by some	\$622,500
	\$0.40	combination thereof.	\$830,000
	\$0.50		\$1,037,600
	\$0.60		\$1,245,100
	\$0.70		\$1,452,600
	\$0.80		\$1,660,100
	\$0.90		\$1,867,600
	\$1.00		\$2,075,100

- (a) = Current Version of Budget
- (b) = 2020-2021 Projected Revenue including transfer from undesignated fund balance
- (c) = Elementary School Budget
- (d) = High School Budget
- (e) = Hancock County Budget
- (f) = Estimate of taxable value

## 2020 MUNICIPAL PROPERTY TAX LEVY LIMIT WORKSHEET

Municipality: MOUNT DESERT, ME    Contact Person\*: KYLE AVILA    Phone Number: (207)276-5531

\* The Contact Person should be able to answer clarifying questions about the reported information.

The following two pages show how to calculate your municipality's property tax levy limit. Completing these pages is not mandatory, but doing so will help ensure that your municipality complies with Maine law on the rate of property tax increases. Information on new property, appropriations, and deductions should be collected from the assessor and the valuation book before completing these pages.

Fiscal Year Municipalities – For communities with “fiscal year” budgets, the use of the term 2019 refers to the July 1, 2018 to June 30, 2019 budget year. The use of the term 2020 refers to the July 1, 2019 to June 30, 2020 budget year.

### LAST YEAR'S (2020) MUNICIPAL PROPERTY TAX LEVY LIMIT

This is the portion of 2020 property tax revenue used for municipal services.

- If last year the municipality committed LESS THAN or EQUAL TO the limit, enter last year's **limit** on Line 1 below.
- If last year the municipality voted to EXCEED the limit ONCE (just last year), enter last year's **limit** on Line 1 below.

#### 1. LAST YEAR'S MUNICIPAL PROPERTY TAX LEVY LIMIT

OR

- If last year the municipality voted to INCREASE the limit PERMANENTLY, complete Steps A-D below. The information needed for this calculation is on the *Municipal Tax Assessment Warrant*, filed in the Valuation Book.

A. Last year's Municipal Appropriations (Line 2, 2020 Municipal Tax Assessment Warrant)	\$10,207,499
B. Last year's Total Deductions (Line 11, 2020 Municipal Tax Assessment Warrant)	\$1,700,430
C. If necessary, enter any revenue included in Total Deductions that paid for non-municipal appropriations, such as schools. (If all deductions paid for municipal appropriations, enter "0".) \$	\$
D. Add Lines A and C, and subtract Line B. Enter result on Line 1 above.	\$8,507,069

### CALCULATE GROWTH LIMITATION FACTOR

- Each municipality's Growth Limitation Factor is based on local property growth and statewide income growth.

2. Total New Taxable Value of lots (splits), buildings, building improvements, and personal property first taxed on April 1, 2019 (or most recent year available)	\$2,757,800
3. Total Taxable Value of Municipality on April 1, 2019 (or most recent year available)	\$2,072,281,620
4. Property Growth Factor (Line 2 divided by Line 3)	0.0013
5. Income Growth Factor (provided by Office of Policy and Management)	0.0289
6. Growth Limitation Factor (Line 4 plus Line 5)	0.0302
7. Add 1 to the Growth Limitation Factor calculated in Line 6. (For example, if Line 6 is 0.0362, then enter 1.0362 on Line 7.)	1.0302

## 2020 MUNICIPAL PROPERTY TAX LEVY LIMIT WORKSHEET

### CALCULATE 2019-2020 CHANGE IN REVENUE SHARING (previously "NET NEW STATE FUNDS")

- Determine if revenue sharing increased or decreased. Years refer to municipal fiscal year.

8. 2019 Municipal Revenue Sharing	\$37,115
9. 2020 Estimated Municipal Revenue Sharing	\$56,227
10. If Line 8 is greater than Line 9, then calculate Line 8 minus Line 9. Enter result at right; skip Line 11.	_____
11. If Line 9 is greater than Line 8, then complete 11A & 11B below.	
A. Multiply Line 8 by Line 7.	\$38,237
B. Calculate Line 9 minus Line 11A. Enter result at right. (If result is negative, enter "0".)	\$17,990

### CALCULATE THIS YEAR'S (2021) MUNICIPAL PROPERTY TAX LEVY LIMIT

- This year's Property Tax Levy Limit is last year's limit increased by the Growth Factor and adjusted for revenue sharing.

12 Apply Growth Limitation Factor to last year's limit. (Line 1 multiplied by Line 7)	\$8,764,245
13 THIS YEAR'S MUNICIPAL PROPERTY TAX LEVY LIMIT	
If Line 9 is greater than Line 8 (revenue sharing increased), you <u>MUST</u> subtract Line 11B from Line 12. This is <u>required</u> .	
OR If Line 9 is less than Line 8 (revenue sharing decreased), you <u>MAY</u> add Line 10 to Line 12. This is <u>optional</u> .	
- Enter result at right.	\$8,746,255

### CALCULATE THIS YEAR'S (2021) MUNICIPAL PROPERTY TAX LEVY

- The information needed for this calculation is on the 2021 Municipal Tax Assessment Warrant, filed in the Valuation Book. Use estimates if necessary.

A. This year's Municipal Appropriations (Line 2, 2021 Municipal Tax Assessment Warrant)	\$10,465,444
B. This year's Total Deductions (Line 11, 2021 Municipal Tax Assessment Warrant)	\$1,698,510
C. If necessary, enter any revenue included in Total Deductions that paid for non-municipal appropriations, such as schools. (If all deductions paid for municipal appropriations, enter "0".)	0
14 THIS YEAR'S MUNICIPAL PROPERTY TAX LEVY (Add Lines A and C, and subtract Line B)	\$8,766,934

15 COMPARE this year's MUNICIPAL PROPERTY TAX LEVY to the LIMIT (Line 13 minus Line 14) \$20,679  
(If the result is **negative**, then this year's municipal property tax levy is greater than the limit and a vote must be taken.)

16 Did the municipality vote to EXCEED the limit ONCE (just this year)?  NO  YES  
(Voting to exceed the limit means the municipality will calculate next year's limit based on line 13.)

If "yes", please describe why:  
\_\_\_\_\_  
\_\_\_\_\_

17 Did the municipality vote to INCREASE the limit PERMANENTLY (for current and future years)?  NO  YES  
(Voting to increase the limit means the municipality will calculate next year's limit based on line 14.)

If "yes", please describe why:  
\_\_\_\_\_  
\_\_\_\_\_