



## CITY OF BATH

### FINANCE DEPARTMENT

Juli Millett, Finance Director  
Linda McCourt, Deputy Finance Director

[jmillett@cityofbath.com](mailto:jmillett@cityofbath.com)  
[lmccourt@cityofbath.com](mailto:lmccourt@cityofbath.com)

### Proposed 2020-2021 Budget

#### BUDGET MESSAGE

The FY2021 total city budget of \$17,009,636 is increasing \$341,182, 2.05% from prior year budget. This increase is in the general, and sewer funds and is offset by reductions in the landfill and capital fund budgets. The City is projecting a tax increase of \$86,253 or .41% (tax levy increase), as well as small nontax revenue increases and using significantly more from unassigned fund balance to offset the increase in expenditures.

#### General Fund Budget

The general fund expenditures are increasing \$431,533, 3.86%. In order to meet the expenditure increases of salaries, benefits, and insurances, but stay within the City's expenditure limitation, cuts were made in capital and at the landfill. The biggest driver for the increase is insurances and personnel. The budget includes increases in workers compensation, professional services, salaries, health insurance and retirement contributions. The budget also adds one half time equivalent - Firefighter/AEMT. (The firefighter is added for 01/01/21 providing revenues come in as budgeted in the first half of the year.) The workers compensation increase is due to poor claims experience and is how one or two large claims can affect premiums. Other increases for personnel included the minimum wage increase, an increase in MePers rate, fire overtime and the remainder of funding the IT coordinator. The budget also includes \$30,000 funding to Midcoast Community Alliance, as that organization is requesting funding and proposing to take over operations of the Bath Youth Meeting House and Skatepark.

All expenditure increases are offset by an increase in taxes as well as taking surplus from unassigned fund balance. With uncertainties around revenues in 2021 related to effects of the economy and the coronavirus shut down, the goal was to fund necessary expenditure increases without relying on fee increases and having a minimal tax effect. The City has built up a strong fund balance in recent years and is exceeding their own fund balance policy of unassigned fund balance equal to 16.6% of operating budget less debt. The largest revenue increase is State Revenue Sharing (up \$43,061 or 4.49%). State Revenue sharing is the program that provides municipalities with a share of State income and sales taxes. The current state budget will increase the revenue sharing pool from 3.0% to 3.75%. The proposed municipal budget assumes that the pool will be funded in accordance with the current law percentage, but that the state will not meet the revenue projections estimated as in early March. Therefore, the City is anticipating an increase in the percentage, but a shortfall in sales tax. Not knowing what the future looks like, both vehicle excise taxes and interest on investments were budgeted flat to prior year.

The capital fund expenditures are decreasing \$128,104 (13.9%) and the tax commitment to capital is decreasing \$196,504 or (21.7%). When reviewing capital requests, the main funding

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SHIPS    HERITAGE    PROGRESS



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criteria was, is this request critical to operations of the City. Only those items or projects that were critical to current operations were funded. This coupled with a reduction in capital debt payments of approximately \$175,000 and the use of reserves from prior projects allowed the significant savings in both expenditures and taxes. Also, with meeting the criteria of the expenditure limitation, funding capital items with debt allows the City to leverage more items in the current year. Looking forward, to large purchases, the City may have to consider going to the voters for large capital purchases, so they can be exempt from the expenditure limitation.

The landfill expenditures are decreasing \$99,667, or (5.43%). The landfill fund is experiencing shortfalls in revenue due to significantly less tipping fees from haulers as compared to prior years. To cover the revenue shortfall expenditures were reduced and required capital purchases needed to run the landfill were moved to the capital fund. The remainder of the revenue shortfall is funded by taxes.

The sewer fund expenditures are increasing \$138,958 (5.97%). Most of the increase comes from an increase in capital purchases for the sewer department. These purchases are spread out between upgrades to the treatment plant, infrastructure and equipment needed. Based on a strong sewer fund balance and the economy, the increase is funded with fund balance monies and there is no increase to sewer fees planned.

The RSU 1 is projecting a \$270,618 tax increase (1.27% tax effect.)

And Sagadahoc County is projecting a \$70,103 tax increase (.33% tax effect)

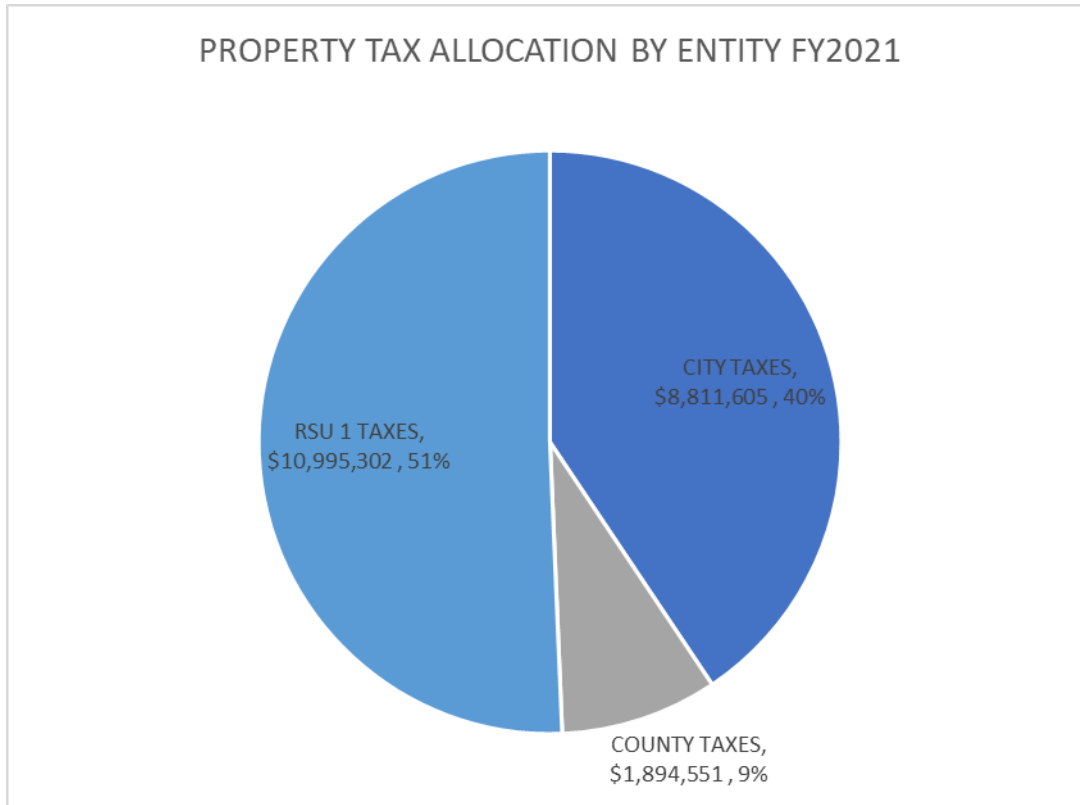
	<b>FY2020</b>	<b>FY2021</b>	<b>change</b>	<b>Percentage</b>
<b>CITY TAXES</b>	<b>\$8,725,352</b>	<b>\$8,822,333</b>	<b>\$96,981</b>	<b>0.46%</b>
<b>COUNTY TAXES</b>	<b>\$1,824,448</b>	<b>\$1,894,551</b>	<b>\$70,103</b>	<b>0.33%</b>
<b>RSU 1 TAXES</b>	<b>\$10,724,684</b>	<b>\$10,995,302</b>	<b>\$270,618</b>	<b>1.27%</b>
<b>TOTAL PROPERTY TAXES</b>	<b>\$21,274,484</b>	<b>\$21,701,458</b>	<b>\$426,974</b>	<b>2.01%</b>



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Total tax projected tax increase of 2.01%

This would equate to approximately an \$80 increase in taxes on a home valued at \$200,000.

**FY 2021 BUDGET TOTALS WITH PROPERTY TAXES TO BE RAISED  
INCLUDES FY 2020 FOR COMPARISON PURPOSES**

	FY2020		FY2021		\$ INCREASE		TAX LEVY Requirement
GENERAL FUND							
TOTAL REVENUE/EXPENDITURES	\$ 11,184,631	\$	\$ 11,616,164	\$	431,533		
PROPERTY TAXES	\$ 6,689,707	\$	\$ 6,864,669	\$	174,962		
CAPITAL FUND							
TOTAL REVENUE/EXPENDITURES	\$ 942,744	\$	\$ 814,640	\$	(128,104)		
PROPERTY TAXES	\$ 905,744	\$	\$ 709,240	\$	(196,504)		
LANDFILL FUND							
TOTAL REVENUE/EXPENDITURES	\$ 1,836,204	\$	\$ 1,736,537	\$	(99,667)		
PROPERTY TAXES	\$ 966,204	\$	\$ 1,076,537	\$	110,333		
SEWER FUND							
TOTAL REVENUE/EXPENDITURES	\$ 2,327,028	\$	\$ 2,465,986	\$	138,958		
PROPERTY TAXES	\$ -	\$	\$ -	\$	-		
BATH CITY BUS	\$ 161,300	\$	\$ 161,800	\$	500		
TRAIN STATION/ TROLLEY	\$ 52,850	\$	\$ 53,350	\$	500		
OVERLAY	\$ 163,697	\$	\$ 161,159	\$	(2,538.00)		
<b>TOTALS</b>							
	<b>CITY BUDGET</b>	\$	<b>16,668,454</b>	\$	<b>17,009,636</b>	\$	<b>341,182</b>
	<b>CITY TAXES</b>	\$	<b>8,725,352</b>	\$	<b>8,811,605</b>	\$	<b>86,253 0.41%</b>
	<b>COUNTY TAXES</b>	\$	<b>1,824,448</b>	\$	<b>1,894,551</b>	\$	<b>70,103 0.33%</b>
	<b>RSU 1 TAXES</b>	\$	<b>10,724,684</b>	\$	<b>10,995,302</b>	\$	<b>270,618 1.27%</b>
	<b>TOTAL PROPERTY TAXES</b>	\$	<b>21,274,484</b>	\$	<b>21,701,458</b>	\$	<b>426,974 2.01%</b>

**Revenue**

	<b>2019 Actual</b>	<b>2020 Budget</b>	<b>2020 YTD</b>	<b>2021 Elected</b>	<b>Elected Curr Bud Change \$</b>	<b>Elected Curr Bud Change %</b>
<b>Dept/Div: 01-0005 GENERAL FUND / GENERAL FUND REVENUE</b>						
5108 PILOT	62,844.81	60,000.00	62,597.00	60,000.00	0.00	.00%
5109 PROPERTY TAXES	5,761,337.79	6,689,707.00	5,247,183.79	6,864,669.00	174962.00	2.62%
5110 VEHICLE EXCISE TAXES	1,291,546.16	1,225,000.00	899,349.75	1,225,000.00	0.00	.00%
5111 PENALTIES AND INTEREST	101,975.54	80,000.00	64,235.52	80,000.00	0.00	.00%
5112 BOAT EXCISE TAXES	7,831.80	8,500.00	1,801.10	8,500.00	0.00	.00%
5113 HOMESTEAD EXEMPTION	475,785.00	0.00	356,839.00	0.00	0.00	.00%
5115 BUSINESS EQUIP TAX EXEMPT	1,181,585.00	0.00	1,217,106.00	0.00	0.00	.00%
5211 HEALTH	1,705.00	1,000.00	540.00	1,000.00	0.00	.00%
5212 PROFESSIONAL/OCCUPATIONAL	4,095.00	5,500.00	5,820.00	5,500.00	0.00	.00%
5213 BUILDING/PLUMBING/SEWERAG	69,418.20	25,000.00	17,459.40	25,000.00	0.00	.00%
5214 ELECTRICAL	19,860.96	8,000.00	7,138.00	8,000.00	0.00	.00%
5215 CODE SERVICES	2,035.51	1,000.00	82.00	1,000.00	0.00	.00%
5222 HUNTING AND FISHING	750.50	1,000.00	438.50	1,000.00	0.00	.00%
5223 MARRIAGE	2,636.00	2,500.00	2,064.00	2,500.00	0.00	.00%
5224 BURIAL	2,456.00	2,000.00	1,672.00	2,000.00	0.00	.00%
5225 DOG LICENSES	952.00	1,000.00	645.00	1,000.00	0.00	.00%
5226 MOORING FEES	275.00	500.00	25.00	300.00	-200.00	-40.00%
5227 CONCEALED WEAPONS	147.00	0.00	72.00	0.00	0.00	.00%
5354 STATE REVENUE SHARING	596,374.22	958,434.00	653,250.95	1,001,495.00	43,061.00	4.49%
5355 SNOWMOBILE EXCISE TAXES	595.80	0.00	589.18	0.00	0.00	.00%
5356 WELFARE REIMBURSEMENTS	27,909.96	30,000.00	1,449.41	35,000.00	5,000.00	16.67%
5358 MISC STATE GRANT	11,168.77	0.00	0.00	0.00	0.00	.00%
5411 BIRTH CERTIFICATES	5,196.40	5,500.00	4,132.40	5,500.00	0.00	.00%
5412 DEATH CERTIFICATES	3,401.40	3,000.00	2,395.20	3,000.00	0.00	.00%
5413 MARRIAGE CERTIFICATES	2,207.00	2,000.00	1,913.20	2,000.00	0.00	.00%
5414 SITE PLAN FEES	9,696.73	6,500.00	4,205.00	6,500.00	0.00	.00%
5421 AMBULANCE SERVICES	626,124.49	630,000.00	471,050.88	630,000.00	0.00	.00%
5422 AMBULANCE CONTRACTS	62,885.00	50,000.00	51,690.00	50,000.00	0.00	.00%
5423 POLICE DUTY	37,582.20	16,000.00	22,181.26	0.00	-16,000.00	-100.00%
5431 CEMETERY TRUST FUNDS	32,399.05	25,000.00	38,851.39	25,000.00	0.00	.00%
5432 SALE OF LOTS	3,139.00	2,500.00	1,913.00	3,000.00	500.00	20.00%
5434 LINER SALES	4,043.00	3,500.00	2,735.00	3,800.00	300.00	8.57%
5435 GRAVE OPENINGS AND CREMAT	21,473.00	30,000.00	17,435.00	30,000.00	0.00	.00%
5436 FOUNDATION SETTINGS	4,736.00	6,500.00	6,718.00	6,500.00	0.00	.00%
5438 CEMETERY MISC	2,090.16	2,000.00	1,453.00	2,200.00	200.00	10.00%
5441 PARKING-CITY LOTS	91,421.07	85,000.00	84,108.47	65,000.00	-20,000.00	-23.53%
5444 CABLE FRANCHISE FEE	109,746.14	108,000.00	80,259.88	108,000.00	0.00	.00%
5512 COURT OFFICER FEES	3,458.81	1,500.00	625.67	1,500.00	0.00	.00%
5513 PARKING AND TRAFFIC VIOLA	51,730.00	25,000.00	28,470.00	50,000.00	25,000.00	100.00%
5609 EARNINGS ON HM PAYSON	947,720.67	400,000.00	295,531.19	400,000.00	0.00	.00%
5611 INTEREST ON INVESTMENTS	296,291.22	150,500.00	224,370.26	150,000.00	-500.00	-.33%
5612 RENTS AND LEASES	26,645.73	30,000.00	16,542.70	30,000.00	0.00	.00%
5614 SALE OF CITY PROPERTY	9,817.01	0.00	215,000.00	0.00	0.00	.00%
5615 AUTO REGISTRATIONS	20,571.25	21,500.00	19,299.00	21,500.00	0.00	.00%
5618 OTHER INCOME	1,480.25	10,000.00	21,808.64	10,000.00	0.00	.00%
5619 BOAT REGISTRATIONS, ETC.	676.00	750.00	261.00	700.00	-50.00	-6.67%
5625 BCTV FEES	30.00	50.00	450.00	50.00	0.00	.00%
5629 PW TIF transfer	85,000.00	85,000.00	85,000.00	89,950.00	4,950.00	5.82%
5700 UNAPPROPRIATED SURPLUS	0.00	385,690.00	0.00	600,000.00	214,310.00	55.57%
<b>GENER REVENUE</b>	<b>12,082,847.60</b>	<b>11,184,631.00</b>	<b>10,238,757.74</b>	<b>11,616,164.00</b>	<b>431,533.00</b>	<b>3.86%</b>

**Expense Summary**

<b>GENERAL FUND</b>	<b>2019 Actual</b>	<b>2020 Budget</b>	<b>2020 YTD</b>	<b>2021 Manager</b>	<b>Elected Curr Bud Change \$</b>	<b>Elected Curr Bud Change %</b>
0010 - ADMINISTRATION	175,385.89	194,753.00	174,081.79	183,574.00	-11,179.00	-5.74%
0011 - PROFESSIONAL SERVICES	167,507.61	177,500.00	343,709.38	270,000.00	92,500.00	52.11%
0012 - COUNCIL	51,910.64	72,800.00	42,369.87	73,870.00	1,070.00	1.47%
0016 - SPECIAL EVENTS, BOARD, ETC	267,035.24	303,886.00	294,999.00	276,399.00	-27,487.00	-9.05%
0018 - CABLE PEG	45,975.39	51,393.00	36,099.90	102,397.00	51,004.00	99.24%
0020 - CITY CLERK	142,556.54	111,426.00	79,271.37	96,432.00	-14,994.00	-13.46%
0021 - CITY CLERK ELECTIONS	14,045.92	17,710.00	11,298.77	23,860.00	6,150.00	34.73%
0030 - CENTRAL SERVICES	182,487.48	170,500.00	119,224.29	170,500.00	0.00	.00%
0035 - CITY HALL MANAGEMENT	124,236.54	164,847.00	119,571.04	166,642.00	1,795.00	1.09%
0040 - UTILITIES	607,008.26	614,000.00	575,749.49	614,165.00	165.00	.03%
0045 - INSURANCES	306,828.25	386,000.00	431,540.97	468,500.00	82,500.00	21.37%
0050 - EMPLOYEE BENEFITS	2,022,443.60	2,269,986.00	1,584,535.83	2,378,339.00	108,353.00	4.77%
0055 - FINANCE	276,952.32	291,547.00	252,647.64	310,370.00	18,823.00	6.46%
0060 - ASSESSOR	133,134.34	139,688.00	100,000.48	143,392.00	3,704.00	2.65%
0065 - RECREATION FUND	229,500.00	239,091.00	228,156.00	247,746.00	8,655.00	3.62%
0070 - GENERAL ASSISTANCE	62,301.94	64,150.00	61,131.02	73,550.00	9,400.00	14.65%
0075 - CODES OFFICE	95,368.22	99,299.00	71,887.59	102,192.00	2,893.00	2.91%
0077 - PLANNING OFFICE	41,950.85	58,988.00	58,466.76	64,498.00	5,510.00	9.34%
0080 - PUBLIC WORKS	1,075,230.77	1,106,595.00	899,719.09	1,128,104.00	21,509.00	1.94%
0090 - CEMETERY AND PARKS	407,835.96	422,363.00	314,888.85	434,107.00	11,744.00	2.78%
0092 - FORESTRY	83,183.50	94,095.00	56,987.06	101,679.00	7,584.00	8.06%
0100 - FIRE AND AMBULANCE	1,684,878.88	1,763,718.00	1,342,856.62	1,815,599.00	51,881.00	2.94%
0104 - HARBOR MASTER	3,062.15	5,850.00	2,216.00	5,950.00	100.00	1.71%
0105 - POLICE	1,565,677.89	1,604,416.00	1,279,186.85	1,589,507.00	-14,909.00	-.93%
0106 - SCHOOL CROSSING GUARDS	5,966.48	6,302.00	4,778.30	6,505.00	203.00	3.22%
0108 - PARKING MANAGEMENT	44,110.92	46,551.00	22,681.97	55,750.00	9,199.00	19.76%
0109 - POLICE ANIMAL CONTROL	33,376.03	35,582.00	29,284.70	45,318.00	9,736.00	27.36%
0110 - DEBT RETIREMENT	620,784.28	671,595.00	197,093.43	667,219.00	-4,376.00	-.65%
<b>GENERAL FUND</b>	<b>10,470,735.89</b>	<b>11,184,631.00</b>	<b>8,734,434.06</b>	<b>11,616,164.00</b>	<b>431,533.00</b>	<b>3.86%</b>

CAPITAL FUND	Expense				Elected Curr Bud Change \$	Elected Curr Bud Change %
	2019 Actual	2020 Budget	2020 YTD	2021 Elected		
0500 - CAPITAL FUND CITY	362,793.21	197,222.00	174,194.10	72,255.00	-124,967.00	-63.36%
0502 - CF CEMETERY AND PARKS	101,497.71	82,883.00	64,654.96	82,229.00	-654.00	-.79%
0504 - CF FIRE AND AMBULANCE	298,249.98	317,785.00	227,282.27	250,609.00	-67,176.00	-21.14%
0512 - CF POLICE	69,509.32	68,735.00	13,967.65	68,095.00	-640.00	-.93%
0514 - CF RECREATION	91,480.01	56,079.00	-106,234.87	108,685.00	52,606.00	93.81%
0520 - CF PUBLIC WORKS	944,716.57	220,040.00	450,032.65	232,767.00	12,727.00	5.78%
<b>CAPITAL FUND</b>	<b>1,868,246.80</b>	<b>942,744.00</b>	<b>823,896.76</b>	<b>814,640.00</b>	<b>-128,104.00</b>	<b>-13.59%</b>

LANDFILL FUND	Expense				Elected Curr Bud Change \$	Elected Curr Bud Change %
	2019 Actual	2020 Budget	2020 YTD	2021 Elected		
0661 - SOLID WASTE SITE	540,458.84	594,792.00	361,320.86	563,362.00	-31,430.00	-5.28%
0662 - RECYCLING	52,223.49	66,725.00	18,487.69	60,000.00	-6,725.00	-10.08%
0663 - MSW-CURB SIDE PICKUP	431,521.79	447,300.00	279,514.31	460,300.00	13,000.00	2.91%
0664 - PAY AS YOU THROW	29,909.25	31,000.00	33,013.81	38,000.00	7,000.00	22.58%
0665 - LANDFILL CAPITAL	30,106.43	90,772.00	30,714.63	0.00	-90,772.00	-100.00%
0667 - DEBT RETIREMENT	621,438.56	611,550.00	610,897.77	614,875.00	3,325.00	.54%
<b>LANDFILL TOTAL</b>	<b>1,705,658.36</b>	<b>1,842,139.00</b>	<b>1,333,949.07</b>	<b>1,736,537.00</b>	<b>-105,602.00</b>	<b>-5.73%</b>

SEWER FUND	Expense				Man Req vs" Curr Bud Change \$	Man Req vs Curr Bud Change %
	2019 Actual	2020 Budget	2020 YTD	2021 Manager		
0700 - MANAGEMENT SEWER	101,248.13	114,730.00	80,192.10	113,465.00	-1,265.00	-1.10%
0701 - TREATMENT PLANT AND PU	939,474.80	1,014,826.00	712,292.70	1,025,190.00	10,364.00	1.02%
0702 - MAINTENANCE - SEWER	257,739.26	352,075.00	282,270.62	390,822.00	38,747.00	11.01%
0703 - REPLACEMENT - CAPITAL SE	4,345,141.28	125,000.00	1,825,209.82	261,000.00	136,000.00	108.80%
0704 - DEBT RETIREMENT	289,467.07	695,939.00	208,333.12	675,509.00	-20,430.00	-2.94%
<b>SEWER FUND</b>	<b>5,933,070.54</b>	<b>2,302,570.00</b>	<b>3,108,298.36</b>	<b>2,465,986.00</b>	<b>163,416.00</b>	<b>7.10%</b>