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Town of Southwest Harbor



Annual Report 2016

DEDICATION

The 2016 Town Report is dedicated to **Richard Norwood**. Richard graduated from Pemetic in 1966. He was a four year starter for the Pemetic Indians, in basketball, from 1962 through 1966. He was selected to the Maine State High School Basketball Hall of Fame in 1966 and also, in 2013 to the MDI High School Hall of Fame. In 1972, Richard was back at Pemetic, hired as a bus driver/custodian. He spent the next 44 years driving the school bus and maintaining with great pride the school and the grounds. He retired in August 2016, but continues to drive for the Athletic Teams at MDI HS. Richard is enjoying some ice fishing, gardening, biking and camping.

Southwest Harbor has been home to Richard and Laurel for 43 years. They have a daughter Allison, her husband Lance and one grandson, Ben.



IN MEMORIUM



This 2017 Town Report is dedicated to the memory of **Meredith Hutchins**, 1939 – 2016. Meredith served the community her entire life including thirty-five years at the Southwest Harbor Public Library, an institution she loved and where she served Southwest Harbor and its many visitors providing books and periodicals, information and answers. As a librarian she defended free speech – being liberal with her own - and supported free access to knowledge and information for everyone.

The Nell Thornton of her time, Meredith was a dedicated amateur genealogist and worked to preserve the history of Southwest Harbor and Tremont, which included a contribution to the housing inventory of Southwest Harbor's 1997 Comprehensive Plan.

After her retirement she dedicated much of her time to developing the Southwest Harbor Public Library's digital archive, an ongoing project that will serve not only Southwest Harbor and Tremont and all of Mount Desert Island, but anyone who cares about genealogy, history and a sense of place.



2016

ANNUAL REPORT

TOWN OF

SOUTHWEST HARBOR

Incorporated 1905

For the fiscal year July 1, 2015 – June 30, 2016

Including

The Proposed Warrant

For the fiscal year July 1, 2017 – June 30, 2018

MUNICIPAL OFFICERS AND OFFICIALS

Board of Selectmen

Thomas Benson, Chairman
Lydia Goetze, Vice-Chairman
George Jellison, Jr.
Dan C. Norwood
Chad Terry

Town Manager, Tax Collector, Treasurer, Road Commissioner Code Enforcement Officer, Licensed Plumbing Inspector

Donald R. Lagrange

Town Clerk, Registrar of Voters, Health Officer General Assistance Administrator

Marilyn J. Lowell

Deputy Tax Collector/Treasurer, Deputy Clerk

Renee L. Atwater

Administrative Assistant, Deputy Clerk

Robert Salsbury

Police Chief & Constable

Alan Brown

Harbor Master

Adam Thurston

Fire Chief, Emergency Management Director

John 'Jack' Martel

Water – Sewer District Superintendent

Steven T. Kenney

BOARDS AND COMMITTEES

Board of Appeals

James Geary
Theodore Fletcher

Charles Morrill

Lunn Sawyer, Chair
Paul Slaunwhite

Conservation Commission

Susan Allen
Fancine Mayhew

Jane Ayers Peabody
Natalia Pajor
Ellen Scull

Jeff Dutra, Tree Warden
Eleanor Park

Harbor Committee

Corey Pettegrow
Joel Harper

Brian Walls
Nicholas Madeira

Andrew Mays, Chair
Anne Napier

Planning Board

Eric Davis
Michael Mansolilli
Ben C. Worcester, III

Ryan Donahue
Chris Rawls

Michael Magnani
Jesse Dunbar

Shellfish Conservation Committee

Jim Colquhoun, Chair
Glenn Greenlaw

William Carroll

Andrew Mays, Warden
Adam Thurston, Warden

Warrant Committee

Carolyn Ball
Ryan Donahue
Eric Novella

Chuck Bowers
Jesse Dunbar
Anne Napier

Nancy Weingarten, Chair
Donald Lodge
Michael Magnani

Southwest Harbor Housing Authority

John Wellington
Susi Homer
Henry Barendse, Tenants Rep.

Karen Craig
Sonia Field

Ben C. Worcester, III, Chairman
Terrance Kelley, Executive Director

Pemetic School Board

Susan Allen, Chair
Dani Piquette-Kelly

John Bench

Ingrid Wilbur-Kachmar
James Sawyer

High School Trustees

Michael Sawyer

Steve Hudson

Erica Dow

Water & Sewer District Board of Trustees

James Geary, Chair

James Vekasi

Donald LaGrange

STATE REPRESENTATIVES

State Senator, District 7

Brian Langley
11 South Street
Ellsworth, ME 04605
Phone: 207-667-0625
Alt. Phone: 207-287-1505

State Governor

Paul LePage
1 State House Station
Augusta, ME 04333
Phone: 207-287-3531

Representative to the Legislature, District 134

Walter A. Kumiega
House of Representatives
36 Cedar Lane
Little Deer Isle, ME 04650
Phone: 207-479-5459
Alt. Phone: 800-423-2900
Walter.Kumiega@legislature.maine.gov



FEDERAL GOVERNMENT REPRESENTATIVES

U.S. Senate

Susan Collins
413 Dirksen Senate Office Building
Washington, DC 20510
Phone: 202-224-2523
<http://collins.senate.gov>

Angus S. King, Jr.
369 Dirksen Senate Office Building
Washington, DC 20510
Phone: 202-224-5344
<http://www.king.senate.gov>

U.S. House of Representatives, District 2

Bruce Poliquin
426 Cannon House Office Building
Washington, DC 20515
Phone: 202-225-6306 or 207-942-0583
<https://poliquin.house.gov/>



STATE OF MAINE
OFFICE OF THE GOVERNOR
1 STATE HOUSE STATION
AUGUSTA, MAINE
04333-0001

PAUL R. LePAGE
GOVERNOR

Dear Citizens of Southwest Harbor:

Maine has a long tradition of civil participation in both state and local government, and I thank you for being informed and involved citizens.

My vision for Maine is prosperity, not poverty. For this reason, one of my top priorities continues to be the reduction and eventual elimination of the income tax. Raising the minimum wage is not the path out of poverty; I want Mainers to earn a career wage. Reducing the income tax is the biggest and most immediate pay raise for all hard-working Mainers.

Not only does an income tax cut put more money back in your pockets, but it will also attract businesses that can offer good-paying careers to keep our young people here. It shows the nation that we are serious about wanting people and businesses to come—and stay—in Maine.

Unfortunately, voters approved a referendum question to raise the income tax to 10.15% on successful Maine households and small businesses. Enacting the second highest income tax rate in the country shows the nation we are eager to punish people for being successful. It will drive them out of our state and make it even more difficult to attract much-needed doctors, dentists, scientists, engineers and other professionals to Maine. They can live in neighboring New Hampshire, which takes no income tax from their paychecks. Even worse, there is no guarantee the extra revenue from this tax will go to fund education, as proponents promised.

As successful people leave Maine, state and municipal government will lose the significant amount they pay in property, sales and incomes taxes. This will put even more upward pressure on local property taxes. Municipalities will have to get more creative to provide local services without increasing property taxes. Reforming the tree growth program, collecting property taxes on land in conservation or preservation programs, charging a payment in lieu of taxes on state land that is taken off the property tax rolls and having non-profit organizations pay a two-percent tax on their net revenues are all ways for municipalities to increase revenues.

Such bold measures would take strong leadership and commitment from local officials and residents. If ever I can be of assistance to you or if you have any questions or suggestions, I encourage you to contact my office by calling 287-3531 or by visiting our website at www.maine.gov/governor.

Sincerely,

Paul R. LePage
Paul R. LePage
Governor

PHONE: (207) 287-3531 (Voice)

888-577-6690 (TTY)
www.maine.gov

FAX: (207) 287-1034



Annual Town Report Letter
A Message from Senator Brian D. Langley

Dear Friends and Neighbors:

Let me begin by thanking you for allowing me the honor of serving you in the Maine Senate. I am humbled that you have put your trust in me for a fourth term and can assure you I will continue to work tirelessly on your behalf. Please let me provide you with a recap of the 127th Legislature, as well as my hopes for the upcoming 128th Legislature.

Last year we continued the work of reforming our state's welfare system and achieved the long sought-after goal of banning the purchase of alcohol, tobacco and lottery tickets with welfare benefits. While there is more work to be done, I believe these efforts will help to deter such abuse of the system and help ensure that benefits are going to those who truly need them.

The Legislature also worked in a bipartisan fashion to begin addressing the drug crisis affecting our state. We approved putting 10 new drug enforcement agents on the street, as well as provided funding for treatment programs and drug use prevention efforts. I believe such a comprehensive approach is essential to tackle this awful epidemic.

In the upcoming session, it is clear that we must continue to do all we can to attract more jobs to our state to keep our young people living and working here. To that end, I will work to advocate for proposals which will expand economic opportunity for all Mainers. It is my hope the Legislature can once again work together to find good solutions to the issues facing our state.

You have my humble and sincere thanks for allowing me to represent you in Augusta. Please feel free to contact me at 287-1505 or senatorbrianlangley@gmail.com if you have comments, questions, or if you would like assistance in navigating our state's bureaucracy.

Sincerely,

Senator Brian D. Langley, District 7



HOUSE OF REPRESENTATIVES

2 STATE HOUSE STATION
AUGUSTA, MAINE 04333-0002

(207) 287-1400

TTY: (207) 287-4469

Walter A. Kumiega III

36 Cedar Lane

Little Deer Isle, ME 04650

Residence: (207) 348-2548

Cell Phone: (207) 479-5459

Walter.Kumiega@legislature.maine.gov

Dear Southwest Harbor Residents,

It is an honor to serve once again as your State Representative. I hope to retain your trust and build upon the work I've done representing island communities over the past six years.

This year the Legislature will be taking up roughly 2000 bills, but our chief focus will be on passing a balanced budget for the next two fiscal years, addressing rising property taxes, fighting the heroin crisis and implementing the four citizen initiatives passed by voters in November of 2016.

This year I will once again co-chair the Legislature's Marine Resources Committee. As someone who represents many of Maine's island communities, I want to make sure Maine manages its resources in a way that balances harvesting and sustainability and also puts more emphasis on maximizing the economic impact for coastal communities. Many people depend on marine life to make a living, and it's important not to let them down. The committee clerk maintains a list of interested parties that get email notification of the committee schedule. Please let me know if you would like to be added to that list.

I will also continue fighting to make sure coastal and island communities have affordable access to ferry transportation, well-maintained roads and the same basic services – like affordable electricity rates – as their neighbors further inland.

Whether we are dealing with the above issues or any other topic, I will continue to work with all of my colleagues, regardless of party affiliation, to make sure we're doing the best work we can for the people of our district and all the people of Maine.

Please contact me if I can be of any help or if you want to discuss or testify on any legislation. My email is wkumiega36@gmail.com. My cellphone is [207-479-5459](tel:207-479-5459) for voice or text message. I also send out e-newsletters from time to time. Let me know if you would like to receive them.

Respectfully,

Walter Kumiega
State Representative

District 134 Cranberry Isles, Deer Isle, Frenchboro, Isle au Haut, North Haven, Southwest Harbor, Stonington, Swans Island, Tremont and Vinalhaven, plus the unorganized territory of Marshall Island Township

United States Senate

WASHINGTON, DC 20510-1904

Dear Friends:

It is an honor to represent Maine in the United States Senate. I am grateful for the trust the people of our State have placed in me and welcome this opportunity to share some key accomplishments.

Growing our economy by encouraging job creation remains a top priority. The tax relief bill enacted during this last Congress contains provisions I authored to provide small businesses with the certainty that they need to invest, grow, and, most important, hire new workers. The 2017 National Defense Authorization Act includes a provision the Maine delegation worked together to champion requiring that military recruits be provided with athletic footwear made in America, as is required for other equipment and uniform items whenever possible. This is a great victory for our troops and for the 900 skilled workers at New Balance factories here in Maine.

Maine's contributions to our national security stretch from Kittery to Limestone. As a senior member of the Appropriations Committee, I successfully advocated for critical funding for projects at the Portsmouth Naval Shipyard and \$1 billion towards the construction of an additional ship that will likely be built at Bath Iron Works. This funding will strengthen the Navy and our national security, and the additional destroyer will help meet the Navy's goal of a 355-ship fleet.

Maine's growing population of older individuals creates many challenges. That's why, as Chairman of the Senate Aging Committee, my top three priorities are fighting fraud and financial abuse directed at our nation's seniors, increasing investments in biomedical research, and improving retirement security.

The Aging Committee's toll-free hotline (1-855-303-9470) makes it easier for senior citizens to report suspected fraud and receive assistance. Last May, a call to the hotline helped lead to the arrest of a national crime ring targeting seniors, and in June I worked to secure the humanitarian release of a Maine senior who had been imprisoned in Spain after being victimized by an international drug smuggling scam.

The Aging Committee also released an extensive report detailing the findings of our bipartisan investigation into the abrupt and dramatic price increases for prescription drugs whose patents expired long ago.

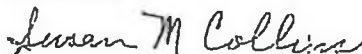
I advocated strongly for the \$2 billion increase in funding for the National Institutes of Health to advance research on such diseases as diabetes and Alzheimer's. I also championed and authored portions of the 21st Century Cures Act that will further support biomedical innovation and make significant reforms to our mental health system.

The Senate also took steps in the past year to combat the nation's heroin and opioid epidemic by passing the Comprehensive Addiction and Recovery Act (CARA), which I was proud to cosponsor. CARA is a monumental step forward in our effort to address the devastating addiction crisis affecting countless families and communities across the country and right here in Maine.

A Maine value that always guides me is our unsurpassed work ethic. In December 2016, I cast my 6,236th consecutive vote, continuing my record of never missing a roll-call vote since my Senate service began in 1997.

I appreciate the opportunity to serve Hancock County and Maine in the United States Senate. If ever I can be of assistance to you, please contact my Bangor state office at (207) 945-0417 or visit my website at www.collins.senate.gov. May 2017 be a good year for you, your family, your community, and our state.

Sincerely,



Susan M. Collins
United States Senator

United States Senate

WASHINGTON, DC 20510

COMMITTEES:
ARMED SERVICES
BUDGET
ENERGY AND
NATURAL RESOURCES
INTELLIGENCE
RULES AND ADMINISTRATION

Dear Friends of Southwest Harbor,

Since being sworn into the Senate in 2013, I have made it my mission to address at the federal level the most important issues facing our great state. Working closely with my colleagues in the Maine Congressional Delegation, we've been able to successfully secure a number of legislative victories that support our state's economy, our rich traditions, and the hardworking people I am proud to represent.

In an increasingly polarized Congress, my goal as an Independent is to put partisanship aside, build consensus and further common-sense solutions to address the needs of the American people. To this end, I have co-founded the Former Governors Caucus, a group of former state executives who are frustrated with legislative gridlock and eager to find bipartisan solutions. And as always, I aim to bridge the partisan divide by hosting barbeque dinners in Washington with colleagues ranging from Ted Cruz to Elizabeth Warren. If you know a person's children, then you see them as a mother or father and not a rival vote, and working to further personal dialogue and build relationships can lay the foundation for successful legislation.

One of the accomplishments of which I am most proud is the legislative victory that protects our college students and their families from an expensive hike in student loan interest rates. In 2013, as students faced a significant spike in interest rates that would have taken thousands of dollars out of their pockets, I brought together colleagues from across the political spectrum to broker compromise legislation called the Bipartisan Student Loan Certainty Act. Thanks to this bill, students will save \$50 billion over the next 10 years by lowering their interest rates, which means that a student in Maine will now save between \$3,000 and \$6,000 over the life of their loan.

Being an Independent in the Senate has allowed me to make calls and vote on policies that are best for Maine, but it has also made it possible to play key roles in finding simple solutions and legislative fixes that make good commonsense to both parties. Of course, much of what we do in the Senate doesn't happen on the Senate floor, or even in committee. Instead, it involves working across all levels of government to ensure the State of Maine receives attention and support from the federal government.

Take, for example, the opioid and heroin epidemic devastating communities across our state. While Congress has passed legislative solutions aimed at expanding access to medical treatment, I've also pressed for other changes that can be accomplished more quickly and make a more immediate difference in Maine. For example, I successfully urged the U.S. Department of Health and Human Services to increase the number of patients to whom a doctor can provide medication-assisted treatment, and in 2015 brought the Director of the Office of National Drug Control Policy to Brewer to meet directly with Mainers and hear their stories. I've also engaged law enforcement – including the Drug Enforcement Agency – to crack down on the production of opioids and work to limit their diversion. Together, Senator Collins and I helped pass the Northern Border Security Review Act to combat drug and human trafficking along our border with Canada.

While the opioid epidemic is certainly our biggest public health crisis, job loss in Maine is still our number one economic problem and that's why we need to focus on bringing good paying jobs back to Maine and protecting the ones we still have. As a member of the Armed Services Committee, I teamed up with Senator Collins and Representative Poliquin to successfully secure a provision in the defense bill that can help domestic shoe manufacturers like New Balance. The three of us also worked together with the Department of Commerce to establish an Economic Development Assessment Team, known as an EDAT, to assist Maine's forest industry in the wake of several mill closures. We have an incredible spirit of innovation and ingenuity in Maine and I believe finding ways to invest in that spirit will reignite Maine's forest products sector and our economy. Part of our economic path forward must also include expanding access to high-speed broadband, which can help connect our businesses and communities to information and economic opportunities.

AUGUSTA
4 Galtich Drive, Suite F
Augusta, ME 04320
(207) 622-8292

BANGOR
202 Harlow Street, Suite 20350
Bangor, ME 04401
(207) 948-8060

PRESQUE ISLE
163 Academy Street, Suite A
Presque Isle, ME 04769
(207) 764-5124

SCARBOROUGH
293 US Route 1, Suite 1C
Scarborough, ME 04107
(207) 333-1588

United States Senate

WASHINGTON, DC 20510

COMMITTEES
ARMED SERVICES
BUDGET
ENERGY AND
NATURAL RESOURCES
INTELLIGENCE
RULES AND ADMINISTRATION

As a member of the Senate Armed Services and Intelligence Committees, I work to keep Maine and our nation safe. Part of that important work means continuing to work for funding for the construction of Navy ships that will be used to protect American interests across the globe. We all know that "Bath Built is Best Built," which is why I've fought to authorize funding for Navy ships built at BIW. The best way to preserve peace is by deterring war through unassailable strength, and to do that we must support our shipbuilders and our brave service members and invest in our military. I strive to meet this solemn responsibility every day as a member of these committees, which is why I hardly ever miss a hearing and take great care in overseeing the agencies sworn to keep us safe. Armed Services Chairman John McCain called me "one of the most serious and hard-working members" of the Committee, and that's a humbling compliment from a true American hero.

As always, please call or write me with thoughts or concerns with matters currently before Congress, or if you need assistance navigating a federal agency. As a public servant, it is critical to me to listen and learn from you, which is why staying connected with people from all over our beautiful state remains a top priority for my work in the Senate. Please call my toll-free line at 1-800-432-1599 or one my offices: Augusta: (207)622-8292, Bangor: (207)945-8000, Presque Isle (207)764-5124, Scarborough (207)883-1588, or Washington, D.C. (202)224-5344. You can also write me on our website at www.king.senate.gov/contact.

It is an honor and a privilege serving the people of Maine in the Senate, and I look forward to working with you in our search for a more perfect Union.

Sincerely,



Angus S. King, Jr.
United States Senator

SELECTMANS REPORT

The Board of Selectmen would like to thank all of the Town Employees, Board and Committee Members and Volunteers that have worked through the year to serve the Community. Your time and dedication ARE much appreciated.

This year's infrastructure projects have included grinding and paving about half of Freeman Ridge and East Ridge Road. The sewer line was extended along Freeman Ridge giving about 14 lots access to sewer; several are planning to hook in to avoid the cost of replacement systems. Spring Brook Lane off Salem Towne Road was rebased and paved. These projects will give 10 plus years of service before maintenance is needed.

The water sewer district has been working in conjunction with the town in the planning of infrastructure projects. The district is working out very well and developed a plan to upgrade the plants to comply with the future needs and requirements. As with the town there is a long list of projects coming along and we appreciate the town's support.

The future of the harbor has been a focus of the Harbor and Harbor Planning committees. They have been looking at the possible expansion of moorings and pier locations. We want to keep both the commercial and recreational uses moving forward.

We have held the mill rate for the last 4 years at \$12.86 per thousand. This year the budget is up \$42,000, a 1% increase.

Projects we have in the near future will address the sidewalks south along Main Street running from just north of Apple Lane to Manset Corner. The state has committed to grants of \$498,500 leaving a cost paid by the town of \$343,500. This will give a much needed safe sidewalk and bike lane along this project for the southbound traffic.

We have proposed a \$2.3 million bond that will address 11 areas through the town, many per the 2010 Olver Report addressing the infrastructure needs. This is an effort to address projects that are at the top of a long list. These will include Fernald Point road, Village Green Way and parking, Clark Point Road (Main to Herrick), the railing along the bulkhead near the intersection of Clark Point and Claremont, addressing the grade at Robinson Hill, paving 3900' of Shore Road, Claremont Road rebuild including water line, Cedar Lane rebuild, paving the remainder of Freeman Ridge as well as the entrance of Robinson Lane. This is a long list of much needed improvements. We are trying to be proactive with this approach in an effort to get ahead of the long list as well as take advantage of bidding this large block of projects.

It has been a pleasure to serve the town on the select board. We have accomplished many tasks with the help of our manager Don LaGrange and employees. The town has set a good course for the future.

Sincerely,

Thomas W. Benson, Chairman

TOWN MANAGER REPORT

As you may have been made aware from recent press releases, I am entering into my last year as Town Manager, to resign from the position effective June 30, 2018. Accomplishments during the past and quick five years have been successful, this due to the positive attitudes of the Selectmen and their encouragement to bring the infrastructure needs to the forefront. Two major events included the reconstruction of Main Street and the transition from a municipal water and sewer system to a Water & Sewer District with a charter approved by the Maine State Legislature and subsequently the voters of Southwest Harbor.

Upcoming at the May Town Meeting will be a request by ballot, for the voters to approve a bond application to finance a large infrastructure project for the 2018 construction season. The total sum of the bond request is \$2,359,005 for the resurfacing of Fernald Point Road, Village Green parking, Village Green Way, Clark Point Road from Main Street to Herrick Road, Hillcrest Acres, Shore Road (from Spahr Cottage to Kings Lane to Seawall Road), the remainder of Freeman Ridge and Robinson Lane. It also includes design work, utilities reconstruction and road resurfacing on Cedar Lane, Robinson Hill and Claremont Road. The sidewalk and railing at the bulkhead across from Claremont Road will be reconstructed including the associated storm water drainage.

We also have been planning to construct a five foot sidewalk, five foot shoulder and a two foot storm water system on the west side of Main Street between 422 Main Street and Village at Oceans End. This has been a very dangerous and narrow area for pedestrians and/or cyclists. Construction is anticipated during the FY18-19 budget year, beginning in the fall of 2018. We have received a State grant of \$400,000 and a DOT-MPI grant of \$98,500. Cost of project is projected at \$842,000 including \$49,000 for the design work which has already been budgeted. Balance of the Town's share for completion of this sidewalk is \$294,500 and should be a part of the FY 18-19 budget cycle.

If you have not yet seen the remodeled Selectmen meeting room, we invite you to a Selectmen meeting every 2nd and 4th Tuesday of the month. What was formerly the meeting room has been divided resulting in a Water-Sewer District administrative office which is rented to the District on a monthly basis as well as another office to house records, mapping and code enforcement office.

A congratulatory acknowledgment to our municipal staff for their outstanding work including our new Deputy Treasurer Renee Atwater who came to us from Hancock County administration; to our Town Clerk and Assistant Manager Marilyn Lowell; our administrative assistant Robert Salsbury; to Chief Alan Brown and his crew of Patrol Officers and Dispatchers; to Scott Alley and Mike Faulkinham of the highway department and to Adam Thurston, SWH Harbormaster.

Respectfully Submitted,

Donald R. Lagrange
Town Manager

TOWN CLERK'S REPORT

The Town Clerk/Registrar of Voters is available during normal business hours to register residents, to vote. Residents should bring a picture ID and proof of residency, such as; a piece of mail with the physical, and mailing address.

The Town Clerk is responsible for issuing various licenses within the Town. Licenses are required for boats, snowmobiles, and ATV's. Boats are licensed according to length and motor size and expire every year on December 31st. Snowmobiles and ATV's expire June 30th each year and cost \$47.00, for snowmobiles and \$34.00, for ATV's, per year to register.

The Town Office is now offering these services on line: Go to the Town website, www.southwestharbor.org, for the links.

- *Boat registrations, have your registration ready with boat information.

- *Rapid Renewal or vehicle registrations, you will need your current registration and insurance.

Hunting licenses are required for anyone older than 10 and a fishing license is required for residents and non-residents 16 and older. Fees for these licenses vary according to which licenses are bought.

Insurance cards, mileage and previous registrations are needed to register your vehicles. Having all these items will make the process run more smoothly. Be sure to have your old registration, if you are transferring plates, especially if you are looking to transfer credit.

All dogs within the Town must be registered by December 31st each year. Spayed/neutered animals cost \$6.00, while non-altered animals cost \$11.00. As of February 1st, a \$25.00 late fee will be assessed on any dog not registered. We will need to see a current rabies vaccination at registration time. If you no longer have this pet, please call and let us know so we can keep our records updated.

Clamming licenses may be purchased at the Town Office. The Shellfish Ordinance stipulates that individuals must be licensed when clamming for private use. Commercial clamming is prohibited unless a waiver is obtained from the Shellfish Committee. Contact Jim Colquhoun at 244-7885 for information.

Marriage licenses are obtained at the Town Office also. We will need to see certified copies of divorce, annulment papers or death certificate, if applicant has been previously married. Both parties need to be present to sign the various forms required and there is a \$40.00 fee. The license is good for 90 days from date of issuance. If the wedding does not take place in this time period, new papers need to be filed and another \$40.00 fee paid.

Vital record laws have gone through some major changes. Proof of identity must be presented to the Municipal and City Clerks or State Vital Records Office staff. A brief application for securing a certified copy of the birth, death or marriage record must be filled out and presented, along with positive identification such as a driver's license, passport, or other government issued picture identification, that clearly shows that the person requesting the record is who they say they are. Identification requirements apply whether the records are requested in person or by mail.

Notary Public services are available at the Town Office at no cost to residents. If witnesses are also required, you should have them meet you at the office. A Notary cannot also be a witness to the document they are notarizing and other Town staff may not be available. Documents need to be completed, but **NOT** signed. Signing documents needs to be done in front of the Notary.

TOWN CLERK'S REPORT CONTINUED

For the year 2016, the following licenses were issued:

Hunting and Fishing Licenses Issued: 320

Dog Licenses Issued:

Males/Females	8	Neutered/Spayed	76	Service	1
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Recreation Vehicle Licenses Issued:

Boats: 414	ATV's: 62	Snowmobiles: 59
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I also receive and file all birth, marriage and death records, for the Town of Southwest Harbor. Certified copies of these records are available at the Town Office for \$15.00, with additional certified copies, purchased at the same time, for \$6.00 each.

Marriage Licenses Issued: 13

Birth Records Received: 17

The Town Officials and Staff would like to give their condolences to the families and loved ones, for the loss of 26 Southwest Harbor residents during 2016.

Benson, Dorothy J.	4/15/2016	Martin, Richard E.	5/2/2016
Brehmer, Donald H.	1/27/2016	Mayhew, Brent C.	10/28/2016
Chipman, Philip A. Jr.	12/21/2016	Murphy, Paul V.	11/6/2016
Cline, Jennifer C.	2/8/2016	Parks, William F.	12/3/2016
Conklin, Edward H.	6/16/2016	Pilz, Michael	4/9/2016
Flynn, Sarah B.	9/8/2016	Rand, Lorraine A.	12/9/2016
Gray, David K.	3/6/2016	Reed, Jeffrey W.	10/23/2016
Hutchins, Meredith R.	2/23/2016	Reed, Laura A.	4/2/2016
Lear, Joseph H. III	2/23/2016	Sawyer, Jennie S.	12/30/2016
Lewis, Carey N.	4/1/2016	Steinhilber, Dorothy M.	10/17/2016
Luck, Ingrid	9/23/2016	Walls, Marjorie A.	7/29/2016
Madeira, Alan L.	8/29/2016	Worcester, Mary L.	2/13/2016
Magruder, Gloria O.	1/13/2016	Young, Steven K.	8/11/2016

Respectfully Submitted,

Marilyn J. Lowell, Town Clerk

POLICE DEPARTMENT

I would first like to thank the town officials and citizens of Southwest Harbor for the support the police department has received over the past year. We have made upgrades in computers and of particular note we have fully transitioned to a new records management system. The system has already strengthened the interagency exchange of criminal intelligence information throughout Hancock County. The Southwest Harbor Police Department along with, the Hancock County Sheriff's Department, the Ellsworth Police Department, the Mount Desert Police Department, the Bar Harbor Police Department and the Bucksport Police Department are all utilizing this system now. The police department was also able to acquire and equip two new Ford Utility Interceptors in 2016 for patrol which are proving to be well suited for this geographical area.

Officer Franklin Burke graduated from the 30th Basic Law Enforcement Training Program in May 2016. All full-time law enforcement officers must attend and successfully complete the Maine Criminal Justice Academy BLETP within the first year of hire. The BLETP is an eighteen week course which focuses on a wide range of topics such as criminal law, traffic enforcement, defensive tactics, firearms, situational use of force, OUI enforcement and emergency vehicle operations.

Officer Nick Hardwick, current full-time dispatcher, is also a reserve officer with the Southwest Harbor Police Department. Officer Hardwick is the most senior reserve officer and 2016 marked his 30th year as a reserve officer with the police department. Traci Patton also celebrated her 10th year of full-time service as a dispatcher. The entire staff at the police department, both full-time and part-time, have helped staff vacancies, vacations, sick days, and training time, which is sometimes difficult in a small agency, so I would like to extend my personal thanks to everyone.

In the past year, the Southwest Harbor Police Department was dispatched to a variety of complaints, including but not limited to, unattended deaths, domestic violence offenses, drug crimes, OUI's, thefts and burglaries. In addition to responding to criminal complaints, we also assist at fire and ambulance calls as well as address traffic violations and parking issues. We also respond to residential alarms, business alarms and frequently do property checks. If you own a business or seasonal home, consider providing this agency with your current contact information by stopping by the police department and completing a contact form.

The Southwest Harbor Police Department participates in the National Drug Take Back initiative which aims to provide a safe, convenient, and responsible means of disposing of prescription drugs. The police department maintains a collection box, so if you have unused or expired medications please stop by with them.

Emergency preparedness and interagency cooperation continues to be important to this agency and we will continue to train and work with other Hancock County law enforcement, fire departments and EMS services to ensure that our schools, businesses and communities stay safe. If you have questions about the safety or security of your business or residence please let us know and we will see what we can do to help. An example of that cooperation this past year was utilizing the Hancock County RIDE (Regional Impaired Driving Enforcement) Team during a couple events which took place in Southwest Harbor. This multijurisdictional team conducts saturation patrols, impaired driving checkpoints and can provide support and assistance to other agencies during special functions.

We continue to seek our community's involvement with us; we strive to have an open line of communication for the reporting of crimes and suspicious activities. If you wish to remain anonymous please make use of the anonymous Hancock County Tip Line by calling (207) 667-1401 or send an eTip, by texting "Hancock" with your anonymous tip to 274637. We are here to serve and protect the citizens and visitors of Southwest Harbor and any help is greatly appreciated.

Thank you,
Chief Alan Brown

SOUTHWEST HARBOR FIRE DEPARTMENT



The fire department responded to 91 calls for assistance in 2016. Twenty eight were for activated alarms, seven were for motor vehicle accidents, seven involved wires and trees, five were vegetation fires which included three smoldering mulch fires, along with various other types of calls. There were nineteen calls for mutual aid in the area. Four emergency calls in Southwest Harbor were located in Acadia National Park.

From January to May, Hugh O'Shields and Matt Pistella attended the Hancock County Firefighter Academy. They put in over 150 hours of hard work during those months to become trained to the

Firefighter II level.

During two days of training with Tremont FD in an old acquired structure, firefighters practiced multiple rescue techniques, building ventilation and live fire evolutions. Firefighters also trained during the year with Mount Desert and Bar Harbor firefighters doing things like ice/cold water rescue, propane fires and water supply.

The Fire Department had three valuable United States Coast Guard firefighters (Derrick Zozzaro, Steve Giddens and Matt Tetreault) who transferred to other locations. Before he left, Matt built for the department a wooden training module which can be used for a variety of training evolutions. Later in the year we gained Joe Scannura and Alex Bernier. The Fire Department is very fortunate to have USCG members in town and willing to help the community.

The Southwest Harbor Junior Firefighters have been kept active. Being led by David Kelley and able assistants, you can expect to see them out and about more in 2017.

The Harbor House Community Center continues to be connected with the SWHFD. Both organizations provide valuable support to each other during the year.

The Knox Box system has shown to be of help during the year. Some property owners in Southwest Harbor store entrance keys in high-security key boxes mounted near their building entrances. There is a single master key controlled by the fire department. With the Knox System, there is no waiting for a business owner to arrive and unlock the door in the middle of the night, no waiting for a caretaker and no forcing the door open to gain entry. If you would like more information on this, check knoxbox.com or contact the Fire Chief.

Southwest Harbor firefighter/photographer Mary Ellen Martel continues her job as Secretary of the Hancock County Firefighters' Association. This involves attending monthly meetings all around the county along with organizing and sending meeting minutes to firefighters. She also attended the sixteen hour Chief Officer's workshop training class.

On September 11th, Southwest Harbor Fire Department recognized the day with two large banners mounted onto Ladder 112. All Southwest Harbor Fire Trucks, as well as a Southwest Harbor Police vehicle and a Bar Harbor fire truck were driven in a procession throughout the town.

Fire prevention awareness at the Pemetic School was handled by Colton Sanborn. He talked about fire safety and showed fire department equipment to many of the students. Jack Martel visited Harbor House Children's Center and talked to the 3-5 year olds before helping them each spray water from a fire hose from Engine 103.

In October an Open House was held at the fire station. There were exhibits, food and demonstrations which included a "live fire" attack of a furnished room mockup.

The four Fire Chiefs on Mount Desert Island regularly meet to discuss a variety of subjects including Mutual Aid, apparatus and equipment purchases and combined trainings. Also discussed is the Mount Desert Island Regional Training Facility for firefighters. Thanks to Mount Desert Fire Department Chief Mike Bender for being the point man and doing a great amount of work on this project.

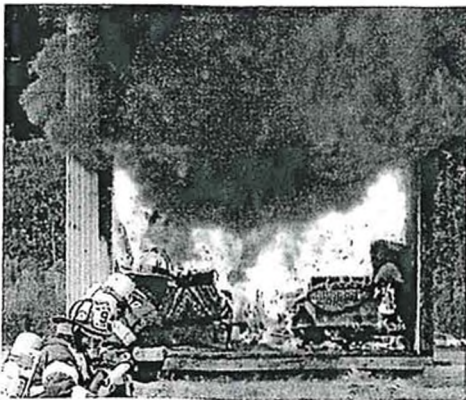
Starting late in the year was the Smoke Detector Campaign. This project is being headed by Kathe Simons. Donations have been received for new smoke detectors which have been purchased by Shelly Mitchell at McEachern's Hardware Store. If anyone needs a smoke detector for their home, they should contact a firefighter or Kathe and they we will arrange for you to get a new detector.

On December 11th, the fire department received a phone call asking if they could help the water department as the water pumps which supply water from Long Pond to the town's filtration plant had broken down. Assistant Chief Jeff Thomas quickly organized and supervised a pumping operation which had Engine 103 drafting water from Long Pond into the town water supply for over 28 straight hours. Firefighters Brendan Charest, Alex Bernier, Colton Sanborn and Patrick Kimmel put in some long overnight shift hours to stay with the truck and help keep it fueled. The Highway crew delivered fuel to keep the operation running continuously. When finished in the evening of December 12th, more firefighters came out in the 10 degree temperature to pick up hose and return all equipment to the station.

I want to thank the Select Board of Southwest Harbor, Don Lagrange, Renee Atwater, Marilyn Lowell and Bob Salsbury for their support and assistance during the year. Thanks also to Southwest Harbor dispatchers and police officers for their assistance with the fire department's emergency incidents.

Thank you to all the Southwest Harbor firefighters who have donated so much of their free time to train and respond to emergency incidents for this town and all of Mount Desert Island.

Jack Martel, Chief
Southwest Harbor Fire Department



HIGHWAY DEPARTMENT

There were two important road projects completed this past year which included 1,600 feet on Freeman Ridge from Seal Cove Road and the second one included the entire length of East Ridge with a cul de sac. Before reclaiming Freeman Ridge, a sewer line was installed which will service fourteen properties. The existing asphalt was reclaimed and a 6" gravel base installed prior to placing a 2" asphalt base. The work on East Ridge included the Town doing the trenching in the shoulders and clearing the brush back which saved dollars. The asphalt on that road also was reclaimed which helps improve the base and reduces construction costs. A 6" gravel base was added and topped with 2" asphalt. Culvert maintenance was also done by the Town prior to construction which also reduced overall costs of road construction. These two roads should only require minimal maintenance for years to come.

The Southwest Harbor Infrastructure Committee comprising of two Selectmen, the Town Manager and Department Heads had several meetings during the past year to outline a much needed road repair schedule as well as repairs or replacements to the aging water and sewer infrastructure. Some of this work would cost more than we could effectively save through the annual budget, resulting in several years to do the work. We would never keep up with this piece meal approach to properly maintain the Town roads. Just putting band aids on the roads will not solve the reconstruction and replacement needs. To this end, the committee has suggested to borrow a significant amount to complete several projects at one time.

Respectfully Submitted,

Scott Alley
Highway Foreman



Photo courtesy of Lydia Goetze

CODE ENFORCEMENT

Flood Insurance

The Federal Emergency Management Agency (FEMA) has approved SWH for recertification which is valid until 2021. Although we do annual reports, this recertification process every five years requires much more detail with benefits including disaster relief when emergency FEMA situations occur. Another benefit includes a 5% insurance discount to all those who have flood insurance because SHW has been recertified as a Class 9 community, the only community in Hancock County to enjoy this benefit.

It is recommended to contact your insurance agent for the latest costs and benefits of flood insurance coverage even if you do not live near water. Southwest Harbor is an active participant in the National Flood Insurance Program (NFIP). Flood Zone Maps which depict high risk areas are available in the Town office.

Permit Activity

Plumbing Permits

There was a substantial increase in the number of plumbing permits in 2016 to 49 compared to 33 in 2015, resulting in total fees of \$9,105 compared to \$5,660 from the previous year. Plumbing permits include interior plumbing, as well as septic system installation.

Building Permits

An increase in building permits for the calendar year 2016 totaled 71 permits, compared to 54 for the previous year. The represented value of all permits also increased substantially from \$4,169,052 reported in 2015 to \$6,596,731. The value of a new single family on Fernald Point Road accounted for 46% of permit value at \$3,042,731 in addition to nine other single family homes. This resulted in an increase of permit fees from \$17,001 in 2015 to \$27,217 in 2016.

Permits Issued

Garages/Barns	6	Misc.	4	Accessory Structure	1
Fill	1	Remodeling	3	Commercial	9
Additions	11	Signs	4	Driveways/roads	1
Utility Buildings	3	Decks/Porches	6	Piers	2
Single Family	10	Apartments	4	Demolition	7

Permit Applications

For Planning Board applications including review and preparation, or other permitting questions, feel free to contact this office at 244-7915. Appointments not necessary, however, are recommended for your convenience.

Respectfully Submitted,

Donald R. Lagrange, Code Officer

HARBORMASTER

2016 marked another amazing boating season in Southwest Harbor. We started off the season with our annual 4th of July fireworks show. The town docks and shores were bursting with spectators awaiting the festivities, and the harbor was packed with vessels of every size. Seeing the schooners from Camden anchored in a row just outside of the mooring field made for an incredible setting for the beginning of summer. During the event boaters were safe a courteous to each other and no incidents were reported. If you are going to be on a vessel for the fireworks please remember to keep away from the fireworks barge and save your own pyrotechnics for after the show.

Acadia celebrated its centennial this year which increased activity both in town and around our coastal waters. The Somes Sound Windjammer Parade was one of many celebrations that took place to help commemorate 100 years. Vessels filled the sound to watch the ships travel up the waterway. These vessels would have been the same ones that would have navigated our waters in the early 1900s. One in particular, the Lewis R. French, worked out of MDI carrying various supplies to the newly developing outer islands during the same time period that the park was opening. Unfortunately, the schooner American Eagle ran aground exiting the Sound on the eastern sand point. Although no damage was reported the vessel did have to wait out the tide until she was able to navigate safely to deeper water. When it was all said and done the parade was considered a success and I would not be surprised if this becomes an annual event for Southwest Harbor and surrounding towns.

We have multiple projects that will be completed for the 2017 boating season. Manset Town dock is getting a renovation with new cross bracing under the pier. We will be widening the Manset ramp so that multiple boats will be able to use it at the same time. The Upper Town Dock pier replacement is planned to be completed in the spring. The new pier will be constructed of aluminum with composite decking which will last for years to come for many to enjoy.

As you are headed out on the water here are a few safety tips to keep in mind. Be aware of the weather; always check your local marine weather for your area before heading out on the water. Maineharbors.com is an easy to navigate web site that I have found very useful for up to date weather and buoy conditions. Have a plan for where you are going, and let someone on land know what it is. Either a friend, family member, or the harbormaster will be able to notify authorities if you are late getting to your destination. Remember that life jackets save lives; always have enough of them and store them so they are easily assessable in case of an emergency. Finally, use your common sense; if a situation does not look safe don't put yourself or others at risk. I am looking forward to a busy boating season this year, and I am always happy to answer any questions, please contact me with any harbor related issues, 244-7913 or harbormaster@southwestharbor.org.

Adam Thurston

Harbormaster

SOUTHWEST HARBOR WATER & SEWER DISTRICT

Honorable Board of Selectman,

On behalf of the Southwest Harbor Water & Sewer District I would like to present the 2016 annual report, our first as a District.

Being the first year of the Town's new District, there was a lot of time involved in "learning" how a District is run, reviewing policies, setting up proper procedures and analyzing how operations are handled in both the financial sectors and the physical treatment processes.

The Town was fortunate enough to have a very well rounded Board of Trustees who brought a lot of expertise with them in the areas of finance, engineering, personnel management, Town history and the ability to steer the District in the right direction.

Board of Trustees

James Geary, Chairman

James Vekasi, Treasurer / Clerk

Donald LaGrange, Member / Town Manager

We have spent a great amount of time to maximize the efficiency of our employees, procedures and finances. There were several major repair projects and emergencies undertaken, but due to proper management, we did not over spend the approved budget.

2016 Completed Projects:

Wastewater Plant Sludge removal- total plant shut down, removal of sludge settlement in all tanks to address sludge build up and tank volume issues.

Wastewater Lab- infusion of new and replacement equipment.

Chemical Use Reduction- chemical use was reduced by 50% at the Water Plant and 35% at the Wastewater Plant.

Water Plant main break- The main feed to the Water Plant burst and the Plant was off line for 5 days while repairs were made.

Equipment Upgrades/ Repairs- Wastewater Channel Grinder, Water Air Compressor, 5 hydrants, Water Truck, Raw Water Pump, Lift Station Alarms and Wastewater motors.

Ongoing Projects:

Replacing the Billing and Meter Reading systems- to eliminate estimated bills and complaints and assure a fair and equitable billing process.

Hiring a part time Office Manager- to address customer complaints and streamline administrative needs in a timely and efficient manner.

Grant Acquisition- for the upgrades needed in the Water and Wastewater Plants, in particular, upgrades to the software, valves and filters of the Water Plant, rebuilding the Raw Water Pump Station at Long Pond and major upgrades to the Wastewater Plant.

Water Main Replacement- removing older mains from service, especially where two mains run in parallel on a street.

Staff

Most of our current staff are new employees, with the exception of the Chief Water Operator. All bring previous experience with them to help assure the proper running of your water utilities.

District Manager:

Steven Kenney – 32 years in the municipal Water & Wastewater industry. 25 as a Manager.

Water Plant Chief Operator:

Allan "Snap" Willey- 4 years in private plumbing, 37 years in municipal Water- 30 as a Chief Operator

Wastewater Plant Chief Operator:

Thomas Farley- 26 years in Wastewater Treatment

Utility Technician:

Josh Conary- 3 years in septic industry, 3 additional years in maintenance.

Key Statistics:**WATER**

Gallons Treated & Distributed; 110,694,000 gallons

Highest Demand Day; August 21, 621,000 gallons

Average Daily Demand: 268,000 gallons

SEWER

Gallons Collected & Treated; 84,540,000 gallons

Maximum Flow; 1,000,000+, April

Minimum Flow; 112,000, November

Finances:

The District's 2016 Audit is not completed yet, but the Town's 2015 Audit for Water & sewer was completed in February 2016. The District is happy to report that even with the \$110,000.00 of unforeseen emergencies and repairs this year, preliminary numbers show for the first time in many years, no yearend deficit balance in the operations of the water or sewer divisions.

	2015 WATER	2016 Preliminary WATER Results	
	Actual	Budgeted	Actual
Income	\$705,466	\$646,575	\$705,513
Expenses	\$627,335	\$646,575	\$546,067
Income -Expenses	\$78,131	\$0	\$158,446
Summary	Surplus results will allow the District to continue needed repairs and upgrades.		

	2015 SEWER	2016 Preliminary SEWER Results	
	Actual	Budgeted	Actual
Income	\$513,506	\$566,225	\$586,225
Expenses	\$565,994	\$566,225	\$545,235
Income -Expenses	(\$52,488)	\$0	\$40,990
Summary	Turnaround from deficit to surplus results will allow the District to start repaying the Town for years of deficit sewer spending and to continue needed repairs and upgrades.		

New District contact information:**Southwest Harbor Water & Sewer District**

(to the right of Town Hall main entrance)

P.O. Box 1100

26 Village Green Way.

Southwest Harbor, ME 04679

www.swhwatersewer-district.org

swhwsd@southwestharbor.org

207-244-3948

Respectfully Submitted,

Steven Kenney, District Mgr.

During the 2015-2016 school year, MDI educators focused on quality implementation of standards based teaching and learning, the programmatic implications of proficiency-based diplomas, and the piloting of our revised Supervision and Evaluation System. Student Performance Data revealed improvements in writing and growth in reading and science but pointed to the need to improve math teaching and learning. Student enrollment across MDI schools has remained steady for the third year in a row. While we recognize there is always more to be done to address the needs of all of our learners, we feel the combined efforts of MDIRSS educators are contributing to continuous improvement in our educational program at all levels.

Big Picture

Looking Back (September 2015 to August 2016)	Looking Ahead (September 2016 to August 2017)
<ul style="list-style-type: none"> Completed revisions to the teacher/principal supervision and evaluation system; received approval from local boards, submitted plan for pilot to the state. Developed 11 budgets which were soundly approved by the boards that oversee them as well as town councils; successful annual audit process Submitted and gained approval of state, federal and local grants. Continued to explore and implement revisions to the AOS structure, cooperative initiatives among towns, and opportunities to improve efficiency and effectiveness. 	<ul style="list-style-type: none"> Continue to strengthen standards-based curriculum, assessment, instruction and reporting initiatives leading to a Proficiency-based Diploma. Encourage and support physical and mental wellness across the school community. Improve building safety and security across the district and complete identified capital improvement projects. Explore, and consider, AOS-wide Pre-K programming. Continue to strengthen integrated Science, Technology, Engineering and Math (STEM) programming K-12. Implement Long-Range Planning Process with community visioning and input from stakeholders. Complete Department of Education Special Education Program Audit.

Goal 1: Improve Student Achievement and Engagement in School

Rationale: *Success in the 21st century requires students to leave their K-12 educational experience with high levels of literacy and numeracy. As a district, we need to be engaged in a cycle of continuous improvement to best serve all of our students each year. Programming [curriculum, course of study, pathways, RTI (Response to Intervention), etc.], therefore, must be specifically targeted to improving reading, writing, mathematics, critical thinking and student engagement. New and existing programs of study must be measured by how well they contribute to improvement in these five areas. Parents need to be informed and actively involved as partners with the school system in supporting their children's education.*

Looking Back (September 2015 to August 2016)	Looking Ahead (September 2016 to August 2017)
<ul style="list-style-type: none"> MDIHS freshmen and sophomores experienced a team approach to teaching to increase student success in demonstrating proficiencies necessary to earn a high school diploma. Students were assessed in grades 3 through 8 and 11 through a new state exam in Math and Reading. The SAT was reinstated as the high school assessment. Improved student achievement in writing and growth in the areas of reading and science. 	<ul style="list-style-type: none"> Ensure all K-12 classes are standards-based. All high school teachers will utilize the Mastery Connect system for tracking and reporting student achievement related to standards. Eighth graders will transition to the high school in a standards-based reporting system. Focus on improving math and reading instruction. Implement a robust Response-to-Intervention (RTI) program in all MDIRSS schools, K-12. Expand and support hands-on science, place-based and service learning throughout the district. Obtain approval for Marine Service Technologies satellite CTE program at the high school. Improve Multiple Pathways. Add AP courses in Environmental Science and Humanities.

Goal 2: Improve Teaching and Learning

Rationale: Research shows that quality teaching is the most important variable in student achievement. Skilled teachers who are supported by administrators, have quality teaching materials, have access to, and utilize timely data about student learning, and who actively participate in ongoing professional development make a positive difference for students. Therefore, it is important that the district prioritize teacher professional development, support, supervision and evaluation.

Looking Back (September 2015 to August 2016)	Looking Ahead (September 2016 to August 2017)
<ul style="list-style-type: none">• Provided mentoring for more than 20 high quality new teachers across the district.• Implemented new standards-based curriculum, assessment, instruction and reporting initiatives leading to Proficiency-based Diplomas.• Increased amount of local and in-state professional development provided by the district and community and state partnerships.	<ul style="list-style-type: none">• Complete comprehensive pilot of new teacher and principal evaluation system, including increased peer-to-peer classroom observations.• Strengthen use of data to inform instruction.• Continue ongoing efforts to strengthen standards-based curriculum, assessment, instruction and reporting.• Continue work towards revising and standardizing MDIRSS reporting.• Provide responsive teacher professional development and time for teacher collaboration district-wide.• Increase amount of instructional coaching and emphasize focus on effective instruction district-wide.

Goal 3: Strategic Allocation of Resources, Use of Personnel and Financial Planning

Rationale: The Mount Desert Island Regional School System (MDIRSS) is committed to providing students with an excellent education. However, resources are not unlimited and must be used strategically. Maintenance and utility costs, health insurance and employee benefits must be considerations in seeking efficiencies so as to maximize available resources. Advances in technology enables us to think differently about course delivery, communication, professional development, resource sharing and infrastructure upgrades. Our communities offer significant resources that MDIRSS schools can effectively utilize to further collaborate for collective impact. Preparing students for careers, college and citizenship in the 21st century requires strategic planning, coordinated resource management and accountability.

Looking Back (September 2015 to August 2016)	Looking Ahead (September 2016 to August 2017)
<ul style="list-style-type: none">• Successfully conducted the search for a new Superintendent, district administrators and four building principals resulting in an exemplary team to lead the district forward.• Provided information regarding accumulated sick leave, personal leave and vacation to employees on a monthly basis.• Strengthened community partnerships; students at all MDI schools actively participated in the Acadia Centennial Celebration.• Improved technology infrastructure.	<ul style="list-style-type: none">• Streamlined approval process to facilitate consistency in all AOS policies.• Continue with cooperative initiatives among towns and opportunities to improve efficiency and effectiveness.• Implement single Community-Based Health Insurance Rating in lieu of local pools.• Streamline and implement consistent administrative procedures and protocols across the MDIRSS.• Develop and implement MDIRSS financial and hiring procedure manuals.• Provide each MDIRSS employee with a personalized annual total compensation report.• Continue to make data-informed decisions and align resource allocation as appropriate.

Marc Edward Gousse, Ed.D., Superintendent of Schools
Julie Meltzer, Ph.D., Director of Curriculum, Assessment and Instruction
Melissa Beckwith, Director of Special Services
Nancy Thurlow, Business Manager

PEMETIC SCHOOL

In my second year as your Principal, I have learned to appreciate, even more, all that Southwest Harbor has to offer that makes it such a wonderful learning community. The students at the Pemetec School are fortunate to have involvement and support from businesses and community members. As an educator I see all of that as modeling, so they, in turn, will become caring and supportive citizens. The natural environment provides abundant learning opportunities for integration with the Art, Science, Literacy, Math, Music and so much more. The children are growing and learning in a town that values the skills and talents of individuals, that helps children to reflect on their own potential contributions to their community. It also helps them to recognize some of the responsibility that goes with being a part of a community.

Highly qualified teachers focus on foundational skills and the application of those skills in the “real-world”. Students are expected to practice “Habits of Work” that enable them to demonstrate their skills as productive, collaborative, and effective team members where the sum of the parts is often greater than the whole. Most students are motivated to do their best, and that is usually evidence of support from home, and earned positive feedback from their teachers and peers. Achievement and success are visible in daily learning activities and, this year, in having a student compete at the State level for National Geographic Bee. Our Chorus will participate at the State Level, having received a high score in the District competition. Our Art and Physical Education teachers collaborate to have students hiking trails with majestic views and producing beautiful artwork. For Pemetec students, their sense of place is their sense of home with their jobs being to learn as much as they can so that they, in turn, use that learning to make their world a better place.

While concerts and performances, and public competitions often serve to entertain, they are also “Performance Assessments” that demonstrate skills and standards that are essential to global-competitive learning. Our State and Local assessments indicate we are stronger in Reading than Math. The data informs instruction and we need for parents to join the school as partners in ensuring every students has essential skills and standards of knowledge. The intent is to not only have students learn, but also, to have them be able to apply their learning in “real-world” ways. The Pemetec School has a reputation for meeting the needs of ALL students. That could not happen without the moral and fiscal support of this community.

Parent support is evident through Parent Teacher Organization involvement and fundraising to provide money for teachers and groups to provide additional opportunities for our students without having to increase the local budget. Parents also serve as tutors, mentors, activity supervisors, and leaders of the charge for changes like rejuvenating our “much-loved and long-loved” playground.

We would like to thank the Southwest Harbor taxpayers for ensuring that a safe and organized learning environment, one that fosters positive attitudes and curiosity for learning is provided for children—the productive community members of the future.

It is always with great pride that I acknowledge I am Principal of the Pemetec School in Southwest Harbor. Thank you for all your support.

Respectfully,

Cathy Lewis, Principal

Conservation Commission

The Conservation Commission for 2016-2017 is composed of 6 voting members, 4 associate members, and the Tree Warden:

Voting Members:	Susan Reiff Allen Francine Mayhew Eleanor Park	Jane Ayres, Treasurer Natalia Pajor Ellen Scull
Associate Members:	Dan Norwood (ex officio) Melissa Frost Ann Norwood	Jeff Dutra, Tree Warden Priscilla Hutton, Rhoades Park Coordinator Ann Judd, Secretary

Any resident of Southwest Harbor who is interested in the oversight and protection of the Town's natural resources is invited to participate in the work of the Commission, and can contact the Town Office for meeting dates and times.

The Tree Warden works with the Commission to supervise plantings of new trees and schedule the annual inspection of existing shade trees on the Town's main streets and in public areas. The annual Tree Fund Appeal raises private money that is combined with town appropriation for yearly pruning, fertilization, or tree removal. If a resident has a question about any of the Town trees or would like to plant a tree to honor or memorialize a loved one, please contact the Tree Warden through the Town Office.

The Veterans Park and Charlotte Rhoades Park are town parks overseen by the Conservation Commission. Both are small parks that have increasing visitation during the summer months by residents and visitors to Mount Desert Island. In 2016 The Charlotte Rhoades Park and Butterfly Garden was maintained by Master Gardeners and other town volunteers under the supervision of Priscilla Hutton on Thursday mornings throughout the season. Over 500 hours of volunteer time/labor was donated to the Park. Garden Classes were offered to the public in May, and Monarch rearing and tagging opportunities were offered during August and September. About 200 Monarchs were tagged in 2015, with the help of participating schools and local libraries. There were 8 weddings between July and October. The annual Butterfly Release benefit took place on July 28th, 2016. The garden's plantings were subjected to increased deer predation, and it was significant enough that a decision was made to purchase and install deer fencing during the fall along the north and south lot lines.

The date for the 2017 Butterfly Release benefit will be Thursday, July 27th at 3:30pm; tickets can be purchased at the Southwest Harbor Chamber of Commerce or through the Rhoades Park website at www.rhoadesbutterflygarden.org

The Conservation Commission would like to express its appreciation to resident volunteers, Master Gardeners and the Southwest Harbor Public Works Department. We also are grateful for the guidance and direction from Town Manager Don Lagrange.

Respectfully submitted,

Ann Judd, Secretary

SHELLFISH CONSERVATION COMMITTEE

In 2016, we continued robust license sales, but not at the record pace of 2015. A total of 42 people were licensed, producing \$880 in revenue to support the shellfish conservation program, of which \$122.43 was spent to fund mandatory newspaper notices of license availability. This, together with past surpluses, produced a balance in our reserve account as of December 31, 2016 of \$5922.33.

It is a very high priority for the committee to determine whether these funds could be used effectively to enhance the soft shell clam resource for the town. We have investigated the possibility of purchasing large size seed clams from a commercial source such as the Downeast Institute on Beals Island. We have determined that this amount of money would fund the purchase of a large number of large juvenile clams which have been shown to survive transplantation better than smaller ones. However, it is highly recommended that any significant transplantation be accompanied by some means of protection to prevent early losses to predation primarily by birds and green crabs. For us, predator protection is problematic for two reasons: 1) it would necessitate loss of digging opportunity while it is in place, and 2) it would involve further expense and significant effort. Thus, we are faced with a conundrum. We could afford the clams to transplant, but we cannot, in good conscience, accommodate the steps necessary to protect them. Other towns have been able to take significant areas out of use without unacceptable reductions in opportunity. We do not have that luxury due to the limited amount of viable and open clam habitat in Southwest Harbor.

Out of a total of about 100 acres of clam habitat in the town, only about 75 acres are currently open for clamming. Of the open 75 acres, about half are contiguous to Acadia National Park property. Many court cases have affirmed that harvesting clams is covered as "fishing" under the terms of the Colonial Ordinances which provide for public access to the inter-tidal zone on Maine and Massachusetts for the specific purposes of "fishing, fowling, and navigation." Recently, Acadia National Park has attempted to assert jurisdiction over the inter-tidal zone to prohibit clamming and worming in violation of the terms of the Colonial Ordinances. As a result of negotiation with the State DMR, the park has agreed not to enforce a prohibition on clamming and worming on its lands, but has not renounced its authority to do so in the future. Since any future attempt to prohibit this use on park lands would immediately make half of our open habitat unavailable, we need to be vigilant and support efforts by the State DMR and the Maine attorney general leading to a more permanent determination that the park would be exceeding its authority to resume prohibition of this use. We strongly believe that a decision not to enforce is not a permanent resolution of this problem.

Anybody wishing to understand more about the unique public rights to the inter-tidal lands of Maine and Massachusetts can access a very readable summary @ <http://www.seagrant.umaine.edu/files/Public%20Shoreline%20Access%20in%20Maine.pdf>.

Your committee will continue to try to assure that those of you who would like to do so can secure a wholesome meal of local soft-shell clams. That is our priority.

And, once again, we appreciate the efficient and cheerful assistance of the staff at the town office. Thanks!

Respectfully submitted, Jim Colquhoun, Chair

HISTORIC CEMETERY COMMITTEE

Committee Responsibilities

The Southwest Harbor Historic Cemetery Committee (appointed by the Selectmen, July 2016) is charged with fostering the protection, preservation, and appreciation of the community historic burying grounds. There are eleven known cemeteries (possibly more) in the town of Southwest Harbor. These cemeteries are abandoned and neglected and the focus of our restoration and preservation efforts. They are:

Clark Cemetery	Dolliver Family Burial Ground	Dolliver Grave
Evergreen Cemetery	Gilley Cemetery	High Road Burial Ground
King Cemetery	Lurvey Cemetery	Moore Cemetery
Newman Cemetery	Union Cemetery	

Mount Height Cemetery has its own association and so is not overseen by this committee.

Objectives: Documentation, Preservation, and Education

The objectives of the committee are to protect and preserve the community cemeteries, including historic character, integrity and significance; open space and landscape management; conservation of historic grave markers and other structural elements; education and public involvement.

Scope of Work

- Develop a master plan for implementing objectives.
- Identify cemetery trust funds available for care and preservation of historic cemeteries.
- Reach out to abutters, neighbors, family associations, community businesses and organizations, etc. to make donations toward cemetery restoration and maintenance.
- Create a program for ongoing maintenance, gravestone repair and conservation, and public awareness.
- Conduct a survey of the town's historic cemeteries.
- Consider applying for State/National Historic Register designation for the cemeteries.
- Use survey information to update town records and planning maps.
- Propose protective regulations and guidelines for new construction and gravel removal on land that includes historic cemeteries.
- Encourage the town to provide for a responsible gravestone repair and conservation program.
- Establish guidelines for cataloging monuments and fragments.
- Design and install a model sign system.

Current Committee Members

Lynne Birlem, Wayne Gilley, Patty Pinkham, Chad Terry, Joan Terry, Kathe Walton, Natasha Watson

If you know of other old cemeteries or grave sites in Southwest Harbor not listed, please see our page on the Town website. If you are interested in attending a meeting or joining the committee, please call committee member Kathe Walton at 244-5560.

Mount Desert Island and Ellsworth Housing Authorities

80 Mount Desert Street
PO Box 28
Bar Harbor, Maine 04609
Phone 207-288-4770 | Fax: 207-288-4559 | TTY 207-288-4770

Annual Report

Town of Southwest Harbor Housing Authority

The Town of Southwest Harbor Housing Authority provided housing units and rental assistance through its Public Housing Program for over seventy elderly and disabled individuals and families in the community during 2016. All units are occupied, and there is a waiting list of individuals who wish to become tenants.

Regionally, through its Public Housing and Section 8 Programs, the MDI & Ellsworth Housing Authorities assisted over seven hundred individuals and families with rent and utilities, in the amount of \$4,050,510.00 in 2016.

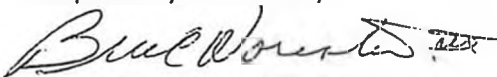
The Town of Southwest Harbor Housing Authority is very grateful for the continued support it receives from the Southwest Harbor Town Office, from the Police Department, the Fire Department, and the Public Works Department of the Town of Southwest Harbor. All help us to reach our objective of providing safe and affordable housing for the members of our community.

Payment in lieu of taxes to the Town of Southwest Harbor for 2016 is \$12,692.25

The Southwest Harbor Housing Authority Board of Commissioners meets the third Wednesday of each month. The meetings are handicapped accessible and open to public attendance. Please call the office at 288-4770, extension 127, to confirm the date and time of Board meetings as dates & times are subject to change.

The Housing Authorities' office is located at 80 Mount Desert Street, in Bar Harbor, ME. The office is open from 8 a.m. to 4 p.m., Monday through Friday. To contact the Housing Authorities, please call 207-288-4770 or e-mail Executive Director H. Duane Bartlett at: duane.bartlett@emdiha.org.

Respectfully submitted,



Ben C. Worcester III, Chairman
Southwest Harbor Housing Authority





Town Report Letter 2017

Harbor House would like to thank the voters for their support of our spring 2016 request for increased funding for our Underground Youth Center. Our request stemmed from the overwhelming success of the program, high participation rates and the need to have additional staff helping with the program. Your support of this program insures that students in grades 3 through 8 will continue to have a place to play, chill out and connect with peers under reliable and responsible supervision. The Underground Youth Center is free to participants and is open after school, school closure days and most school vacations.

Harbor House again respectfully requests the support of our town's taxpayers to help us continue our long tradition of providing quality recreational youth sports programs and youth center activities for the children of our community.

Program offerings at the Underground are consistently changing based on the interests of the kids and the dynamic activities we are able to bring to the program through our collaborative efforts with other groups. Some examples of our programming include Café Book, (a collaborative program with the SWH Library) chess, art projects, improvisational theater, a theater production with the Barn Arts Collective and various community holiday celebrations. We are constantly adding activities to the program roster and we will continue to improve this invaluable community service by continuing to promote healthy social interaction, leadership skills and provide greater creative, educational and athletic outlets for our community's youth. Currently 87% of the children in grades 3 through 8 from the town of Southwest Harbor participate in some way in our Underground Youth Center programming.

We believe in offering our young sports enthusiasts the opportunity to learn sports, practice and hone their skills in a safe, fun and affordable place close to home. Over the past year we provided instruction and game play in soccer, basketball, gymnastics, tee-ball and tennis.

There are other great events and programs run by the Youth Sports Department at Harbor House which the appropriation funding does not support, but which contributes to the lives of our youngsters. We continue to offer Camp MAX, a summer camp providing sports and island adventure weeks and we again participated in the island wide Future Trojans basketball camp. These types of partnerships enhance the children's sports experience plus provide an all day camp option for those who need a full day option for their campers.

The 24th Annual 2016 Great Harbor Shoot Out was once again very successful. 83 teams from all over the state participated in this 3 day junior high and high school tournament which has now grown to become Maine's largest post-season basketball tournament for boys and girls. Somewhere between 4,000- 5,000 people attended this tournament bringing business to our local communities during the slowest time of the year.

Town appropriations are vital to the integrity and consistency of the Youth Sports Program and the Underground Youth Center and cover approximately 76% of the total annual expense for these programs. We are grateful for Town taxpayer support because, most importantly, it helps us keep the direct cost of sports registration fees to between \$30.00- \$45.00 depending on the sport.

Sincerely,

Ingrid Wilbur Kachmar
Executive Director



**Town of Southwest Harbor
2017 Tax Appropriation Request
Youth Center Underground and Youth Sports**

Southwest Harbor tax appropriation dollars help fund the free youth center and sports programs Harbor House operates for our community.

Youth Center

The Harbor House "Underground," as our free after school hang-out is popularly called, is a special place for young people in grades 3 through 8 to play, chill out and connect with peers under reliable and responsible supervision. The Underground is open after school, school closure days and school vacations.

The number of children that frequent the youth center continues to grow under the guidance of our youth center director Mark Woida. The 2015-2016 school year saw a total of 5,155 visits over 175 days which roughly equals 29 children per day. Southwest Harbor children made 3,781 of those visits (73%) and Tremont children made 1,374 of those visits (27%). These visits were made by 101 children- 69 from Southwest Harbor out of a possible 87 and 32 from Tremont out of a possible 79. Attendance during the 2016-2017 school year is averaging 36 children per day; a trend we expected and which necessitated the need for additional staffing.

The youth center continues to fill an important need for quality programming within our communities. Program offerings at the Underground are consistently changing based on the interests of the kids and the dynamic activities we are able to bring to the program through our collaborative efforts with other groups. Some examples of our programming include Café Book, (a collaborative program with the SWH Library) chess, art projects, improvisational theater, a theater production with the Barn Arts Collective and various community holiday celebrations. We are constantly adding activities to the program roster and we will continue to improve this invaluable community service by continuing to promote healthy social interaction, leadership skills and provide greater creative, educational and athletic outlets for our community's youth.

Youth Sports

Serving our community's children and youth has been a fundamental value of Harbor House since its inception. We believe in offering our young sports enthusiasts the opportunity to learn sports, practice and hone their skills in a safe, fun and affordable place close to home. Over the past year we provided instruction and game play in soccer, basketball, gymnastics, tee-ball and tennis to 154 children. These 154 children (82 from Southwest Harbor out of a possible 100, 52 from Tremont out of a possible 72 and 20 from other communities) filled 228 playing slots as many children played multiple sports.

Town Appropriations from Southwest Harbor and Tremont cover approximately 76% of the cost of the Youth Center and Youth Sports programs. We thank you for your continued support of these programs.

Respectfully submitted,

Ingrid Wilbur Kachmar
Executive Director



Southwest Harbor Public Library
Annual Report 2016

2016 was the year Southwest Harbor Public Library was awarded its sixth Five Star rating from *Library Journal*, the highest they give! Only about 1% of public libraries in the country receive this top recognition.

2016 was also the year of Acadia National Park's 100th birthday. The Library was a proud Centennial Partner and embraced the responsibility fully. Throughout the year we offered a wide range of Centennial exhibits and programs for all ages.

Our Library initiated the One Park – One Read community reading program and encouraged other libraries in the Acadia National Park area to participate. A community read gets everyone in one area to read and discuss the same book. We offered three titles, all centered on ANP in one way or another. All of the libraries offered programs and generated lively book discussions.

The book, *Art of Acadia* was published. It is a collection of works inspired by ANP. Several pieces from the art collection of the Library are featured in the book.

The Library's annual Women's History Project offered three different talks about the women and the art that have been influenced by ANP.

We also learned about the history of the Park, its volunteers, and the growth of Friends of Acadia. We were taken on a tour of MDI and the Park through historical postcards. We heard about the story behind the founding of the Wild Gardens of Acadia. We stepped back millions of years and assembled the geological makeup of MDI and the Park. We celebrated ANP with a fast-moving slide/talk presentation by PechaKucha MDI. We learned about our new National Monument and how the Park began as one itself. Through a documentary film, we met George Dorr, the founder of ANP. And the theme of our summer literacy camp for young readers concentrated on the Park's natural history and activities.

Centennial Library exhibits included: "Passion for Acadia," a Women's History Project art show; "Impressions of Acadia," a hooked rug show; "Visions of Acadia National Park: Drawing, Engravings, Paintings and Photographs from 1864 to 2016, an art show; "Home – Land – Waters," an Art in Public Places show; and "What Does Acadia National Park Mean to You?" an Island Quilters show.

All of this caused me to reflect on the Library's past and how far we have come in the last 100 years.

Like the Park, the Library began with donations. Ours were books, not land, but the foresight was the same.



Annie Sawyer Downs encouraged book donations from the summer people in much the same way that George Dorr encouraged land donations from the summer people.

In 1888, an association was formed for the purpose of raising funds for a permanent building – officially known as the Southwest Harbor Public Library. The public in our name is very important to us. Like the Park – we are here for everyone.

Land was purchased, a building was designed, and a stone wall was built. The Holmes Room and the stone wall are all original. The Library is the oldest building in downtown whose use has not changed.

Like the Park, we had a modest beginning. And like the Park, we had a force of supporters who saw the value of securing a place for all to enjoy equally.

We now offer services no one could have dreamed of 100 years ago. Downloadable music, books, audio books; you can borrow DVDs, Kindles, laptops and iPads. We offer programs of all kinds for all ages, tech help, tax help, WiFi, computer use. And yes, we still circulate books, around 65,000 a year.

Like the Park, we may not be the biggest but we are one of the busiest.

And like the Park, it is our patrons, our supporters, our trustees, our volunteers, and our staff that keep us vibrant and relevant.

Respectfully submitted,
Candy Emlen
Director

Southwest Harbor / Tremont Ambulance



Southwest Harbor / Tremont Nursing Service
P.O. Box 437 • Southwest Harbor • Maine 04679
swht-ambulance.org • Phone (207) 244-3521

June, 2016

Dear Friends and Neighbors,

Board of Directors:

Margy Vose:
President

Summer is upon us and it's time, once again, to sincerely *thank you* for your past donations and appeal to you for future support. The Southwest Harbor/Tremont Ambulance Service is *your* ambulance service and we need your financial contributions in order to continue serving you. Please consider these important points:

Michael Radcliffe:
Vice President

Without us, *you or your family* would have to wait *at least 30 minutes* for an ambulance to respond from a neighboring service—time that could truly mean the difference between life and death.

Michael E Smith:
Interim Treasurer

Bonnie Norwood:
Secretary

We are a private, Non-profit Service and rely on your support.

Sonia Field

We respond to approximately 400+ emergency calls per year. Licensed EMS personnel are on duty 24/7 to respond to medical emergencies in either town and provide mutual aid to adjacent towns. A second ambulance, in Bass Harbor, is also available to respond to calls.

Sandy Johnson

Suzanne Madeira

Sid Salvatore

Shirley Soukup

Our primary ambulance must be replaced every 5-6 years; a cost of *at least \$165,000.00.*

Nancy Stanley

Medicare and MaineCare reimbursements remain low.

Jean Starr

We respond to activated Medical Alert calls and frequently perform "lift assists" in the community.

Your contribution is critical. *We need each other...it's as simple as that!* Please be as generous as possible so we can continue to be your 911 responder. Every donation helps!

Gratefully yours,

A handwritten signature in cursive script that reads "Margy Vose".

Margy Vose—Board President, Ambulance Driver, EMT

Bar Harbor Food Pantry Annual Report 2016

To the residents of Southwest Harbor,

The Bar Harbor Food Pantry has had another year of growth that resulted in many changes within our organization.

On average 189 households each month, which represents roughly 400 individuals for the year of 2016 used the pantry on a regular basis. Of those 400 individuals, 35 are residents of SWH.

An individual or family visiting the food pantry will go home with a variety of non-perishable foods, fresh produce, dairy items, a selection of grains and beans, frozen meats and vegetables and other items as they are available.

This year we were able to reduce food cost by not providing vouchers and instead allow our patrons to come twice out of the month. This change allows us to also offer more food to our client for less cost on our end.

We received another \$1,000 grant from Mainers Feeding Mainers that allowed us to purchase fresh local produce for our clients through Beech Hill Farm and Babson Creek Preserve. We have continued to participate in the statewide food recovery program with Hannaford and Good Sheppard Food Bank that supplies us weekly with bread and frozen food items.

We were fortunate to receive a \$2,300 grant that allowed us to purchase specific produce display tables for easier shopping for our clients. We also received a \$3,000 grant that allowed us to purchase 3 new refrigerators/freezers.

We had a successful fundraiser this year in partnership with the UMaine Hockey team at Kebo golf course. Through this fundraiser we were able to raise roughly \$3,500 to go towards the purchase of food items. We increased our revenue of this fundraiser by \$1,000 in 2016

Serendipity, the BHFP's fund raising resale clothing shop, had another successful year of business bringing in almost \$35,000 in profit to help support the budget of the food pantry. That is an increase of \$5,000. Serendipity is a valuable community resource providing a place to recycle quality clothing and purchase practical items at low prices. The store received a \$5,000 grant that will be used for interior store improvements. The store is entirely volunteer staffed and open year round, but overseen by the Executive Director.

Our greatest source of funding however is from the support of Mount Desert Island community through donations. The support from individuals, town funding and local businesses makes up roughly 90 % of our annual operating budget of \$170,000 yearly. We rely heavily on your continued support.

On behalf of those that benefit from the services we provide, thank you! We could not do the work we do without the support of the Mount Desert Island community and generous town of Southwest Harbor.

Best Regards,

Jennifer Jones
Executive Director



People Helping People

ANNUAL REPORT TO TOWN OF SOUTHWEST HARBOR December 1, 2016

Downeast Horizons (DEH), founded in 1974, is an organization that assists adults and children with disabilities to find support for their individual needs and to exercise choices whenever possible that result in growth toward increasing and maintaining independence. All individuals supported by DEH have developmental disabilities including cognitive disabilities; Autism and Asperger Syndrome; Down Syndrome; and some have multiple disabilities including physical handicaps. We currently provide services to 10 individuals from the town of Southwest Harbor.

PROGRAMS AND SERVICES

In 2015, Downeast Horizons created a new program designed to support those who are in transition from children's to adult services. Senior managers from both the Children's and Adult departments collaborated to create the energetic, community-based, daytime program, which is based out of the Ellsworth Center. While the program is open to all ages, the target group is made up of young individuals transitioning from children's one-on-one services to an adult community support program with a higher staffing ratio.

The new Ellsworth Expedition Program has been very successful, with 19 clients already enrolled. Debra Kallock, one of the program staff said, "The group is a great program to be a part of, everybody loves getting out into the community and participating in all the great activities in Downeast and Central Maine."

The goal of the Expedition Program is focused on increasing necessary adult life skills while providing opportunities for group discussions, decision making, and team-work skills to be practiced in a caring and nurturing environment. The program has been eagerly received by both staff and program participants.

"The Expedition Day Program is a great addition to Downeast Horizons and I'm proud to be apart it!" staff member Mike Lawry said.

The Bangor and Ellsworth offices both received new, 2016 Ford Transit vans this year. These new vans are not program specific and will be used by all of the programs operating out of these offices. The new vans are not only very modern looking and proudly emblazoned with the Downeast Horizons logo, but they are much safer and more comfortable to ride in and drive than the old Ford and Chevy vans they replaced. They are a wonderful addition to Downeast Horizons' fleet of over 20 vehicles.

CAPITAL IMPROVEMENTS

Downeast Horizons continues to maintain and enhance our facilities. In 2015, we added a two-room addition to a home we own in Ellsworth. This addition allows the two-bed group home to expand to a licensed, three-bed facility. Adding an extra bedroom enables us to help one additional person without substantially increasing costs.

The Forrest Ave. home received a kitchen renovation and an expanded, open dining room area. This expansion allows staff and program participants to have more space to cook and enjoy their meals together. The House Manager of Forrest Ave. stated that everybody loves how much more space there is in the dining room! The overall cost for the renovation was \$25,000.

DEHI's home in Hancock received two ceiling-mount patient lifts and an enlarged, barrier-free, wheelchair-accessible bathroom and shower. The overall cost for the bathroom renovations and patient lifts was over \$25,000. These renovations are directly related to the generous support we receive from our donors, and without this support these vital upgrades may not have been possible. Over the next two years, we will continue to focus on energy efficiency projects and enhancing safety at all of our locations.

EMPLOYEE RETENTION

Downeast Horizons realizes that the quality of the care given to its program participants depends largely on our Direct Care Professionals. Therefore, DEHI continues to invest in our employees. Over the past seven years, DEHI has provided our direct care employees annual raises of 3 and 4 percent, and a holiday incentive of up to \$500 per employee. DEHI has been able to do this by staying true to the philosophy that we should operate only within our current funding and not borrow in the future. Thus, as an agency, Downeast Horizons has very little long-term debt and continues to have the resources to invest in our employees, while similar agencies have been forced to freeze wages and cut benefits.

Downeast Horizons' full-time employees receive the following benefits: annual performance-based raises; 10 paid holidays per year; a retirement plan with matching contributions of up to 4%; dental and life insurance; and paid time off.

Longtime employee Sharon Monahan, who has worked with the agency for 24 years, said, "I enjoy working with the program participants and getting them out in the community. Downeast Horizons is a great agency to work for."

Our commitment to our employees has enabled DEHI to have one of the lowest employee turnover rates in our area. In fact, DEHI has 54 employees who have been with the agency for more than five years.

"I really appreciate the way DEHI goes the extra mile for those that work here." said Ashley Johnson, who has worked with the agency for 6 years.

The \$1,800.00 generously given by the citizens of Southwest Harbor in 2016 assisted in paying for safety/health building maintenance and repairs; staff training; and client motivation activities. In 2017, DEH will continue to target funds from the towns and individuals for these items.

DEHI is grateful to the town of Southwest Harbor for its long-time support and respectfully requests a continuation of that support in FY2017.



Eastern Area Agency on Aging

450 Essex Street, Bangor, ME 04401-3937
Tel: (TDD) (207) 941-2865 or (TDD) 1-800-432-7812
Fax: (207) 941-2869 www.eaaa.org

Town of: Town of Southwest Harbor
PO Box 745
Southwest Harbor, ME 04679

Greetings,

Did you know that in Maine:

- 14% of Maine citizens live in poverty,
- 12% of Maine citizens under the age of 65 have no health insurance,
- 23% of Maine seniors experience marginal, low, or very low food security, and
- Maine ranks 41st out of 50 for adults 65 and older who have a creditable prescription drug plan?

Did you also know that last year Eastern Area Agency on Aging (EAAA):

- Provided health insurance counseling to over 4,800 community residents,
- Saved community residents \$149,000 in health insurance premiums, deductibles and copays,
- Provided 244,000 pounds of food to low income seniors, and
- Provided 29,000 hours of volunteer services across our region?

Nevertheless, EAAA cannot accomplish the goal of keeping older adults thriving and healthy in their community on our own. It is through the continued support of towns and municipalities like yours we are able to offer much needed services and resources to community residents in Washington, Hancock, Piscataquis, and Penobscot counties. We greatly appreciated the feedback from last year's mailing; therefore, we again decided to include a report listing services EAAA provided to benefit your residents over the past 12 months as well as their associated costs.

As you prepare your town's budget, we ask that you consider Eastern Area Agency on Aging in next year's budget allocation.

➤ Total cost of services in your town last year:	\$ 658,807.87
➤ Your town's allocation to EAAA last year:	\$ 1,500.00
➤ Amount requested for 2017	\$ 1500.00

In the meantime, if you have questions, please call Terri Gallant at 1-800-432-7812 or tgallant@eaaa.org. We have also enclosed a one page sheet that provides a summary of the programs and services we provide. Please visit www.eaaa.org to learn more about Eastern Area Agency on Aging's work.

Sincerely,

Dyan Walsh
Executive Director

Your Area Agency on Aging Serving Penobscot, Piscataquis, Hancock & Washington Counties Since 1973
Eastern Area Agency on Aging is a 501(c)3 - Private Non-Profit Organization



PO Box 931
Bangor, Maine 04402-0931
207.780.8624
fax 207.772.0698
www.emhsfoundation.org

November, 2016

Town of Southwest Harbor
PO Box 745
Southwest Harbor, ME 04679-0745

Dear Selectmen and Residents,

Hancock County Homecare and Hospice (HCHC) is dedicated to the residents of Southwest Harbor and has been serving the area since 1931. Although we are members of a larger organization, our clinicians are from your community or one close by.

In fiscal year 2016 HCHC provided care to 31 of your residents making 822 home visits. Some are recovering from illness or surgery, while others selected our hospice program when they made the decision to stop curative treatment. We provide care regardless of ability to pay. The benefit to your community was \$191,885.00.

In addition to providing homecare and hospice services, HCHC provides Telehealth services to those living with chronic illness. We also partner with other Hancock County organizations to keep people safe at home for as long as possible. We participate with two "Thriving in Place" programs and work daily with Hospice Volunteers of Hancock County. Soon we will offer Wellness Clinics at the many senior centers throughout the county.

I am sure you are aware of the statistics regarding Maine and the challenges we all face to manage our growing elderly population. We also know that home-based care services will continue to expand as it far less expensive than hospitals, assisted living facilities and the like.

Your commitment to VNA not only helps your residents remain at home, but enables us to provide Telehealth services, wellness clinics, and influenza vaccines in addition to providing care to those without sufficient health insurance. VNA is also instrumental in bringing other programs to your community because "Aging in Place" is now the norm in our great state.

It is our hope that the selectmen and residents will continue to provide municipal funding to support your residents, with a grant in the amount of \$1,870.00. I am available to answer your questions or concerns, as are the dedicated members of our board of directors (list enclosed).

Thank you for our consideration and thank you for your past support.

Very truly yours,

Colleen Hilton
CEO, VNA Home Health Hospice

November 30, 2016

To the Residents of the Town of Southwest Harbor
PO Box 745
Southwest Harbor, ME 04679

Re: Written report for Southwest Harbor Annual Report

Hancock County HomeCare & Hospice, now a part of VNA Home Health Hospice, cared for 31 residents of Southwest Harbor in 2016. 19 were at home recovering from illness or surgery and 12 received hospice services when the decision was made to stop seeking curative treatments. The benefit to your community was \$191,885.

Services in their home include skilled nursing, rehabilitation therapy (speech, physical, or occupational), and home health aides for assistance with the activities of daily living. Other services provided were wound care, intravenous therapies, nutritional assessments, medication management, and telehealth. Hospice patients received additional services including massage therapy, and pain and symptom management, while their families benefited from bereavement support.

We are very grateful for your continued support of \$1,870. These funds support vital services to a growing elderly population, help us provide services like telehealth that is not reimbursed by Medicare and assist those without sufficient health insurance.



14 McKenzie Avenue • Ellsworth, Maine 04605 • www.hospiceofhancock.org
207-667-2531 • Fax 207-667-9406 • e-mail: info@hospiceofhancock.org

~ Volunteer Service Since 1980 ~

November 28, 2016

To the Residents of the Town of Southwest Harbor:

Greetings and Gratitude to the residents of Southwest Harbor! Your support goes far in helping us reach those in need of our care; and just as importantly, it conveys your confidence in us and your desire to partner with us in providing the services that your neighbors need to live fully through some of life's most challenging times. Thank you!

As Hospice Volunteers of Hancock County recognizes 36 years of service, we remain committed to providing compassionate, professional care:

~ Patient Care & Caregiver Support
~ Community Education

~ Bereavement Support

Our direct services to patients and families are offered **free of charge** and we don't receive reimbursement through insurance or government programs.

In addition to the core mission services mentioned above, we have spent time this year broadening our focus through strategic efforts and partnership with many community colleagues to deliver a full range of support:

~ The Evensong singers
~ Veterans and Caregivers Outreach Program
~ Alzheimer's and other forms of Dementia Support Program

~ Equipment Sharing program
~ Aging and Loss program

During the past year, Hospice Volunteers of Hancock County provided the following services:

- ~ Patient Care and Caregiver Support to 145 patients and families, including 6 residents of Southwest Harbor.
- ~ Nearly 1000 gestures of Bereavement support, including to 11 residents of Southwest Harbor.

It is only through the support and partnership of the communities we serve that we are able to reach those who need our care! We appreciate the support we have received from the Town of Southwest Harbor in the past and remain committed to serving you for many years to come.

Please let us know if there are ways that you believe we can better serve the residents of Southwest Harbor, Thank you.

Sincerely,

Jody Wolford-Tucker, Ph.D.
Executive Director





*Neighbors helping Neighbors
on Mount Desert Island
and Outer Islands*

November 16, 2016

Residents of Southwest Harbor

The following is a report to the Southwest Harbor community providing details of Island Connections' programs and activities.

Island Connections provides free transportation and other services for seniors and people with disabilities on Mount Desert Island and the surrounding islands. Transportation is provided to medical, dental, job-training, other appointments; rides to and deliveries from drug stores, food stores, food pantries, Common Good Soup Kitchen; delivery of meals to homes three days a week; rides to community centers (Harbor House, YMCA, and libraries).

We have the ability to transport wheelchair bound residents with our wheelchair accessible minivan.

Our Island Connections volunteers provide over an average of 3,500 rides to doctors' offices, adult day services, chemotherapy treatments, dialysis appointments, physical therapy, and for dental services during the last 12 months.

Our mission statement is Island Connections provides free transportation and other services to seniors and people with disabilities on Mount Desert Island and the surrounding islands to enhance their independence and quality of life by utilizing our core group of dedicated volunteers.

We are ever grateful to the residents of Southwest Harbor for your support.

Sincerely,

Doreen Willett
Executive Director

Island Explorer Report 2016

Southwest Harbor

During the 2015 season, Island Explorer carried 575,397 passengers. It was another record season, up over 8% over 2016 which, in turn was a record by over 6%. As a result, over 230,000 cars were removed from the road. Island Explorer is a partnership operated by Downeast Transportation, Inc. with municipalities contributing roughly 6% of the funding, rider and local donations 2%, LL Bean 17%, and our federal and state partners 17%. The lion's share of Island Explorer funding comes from Acadia National Park which provides about 60% through park entry fees.

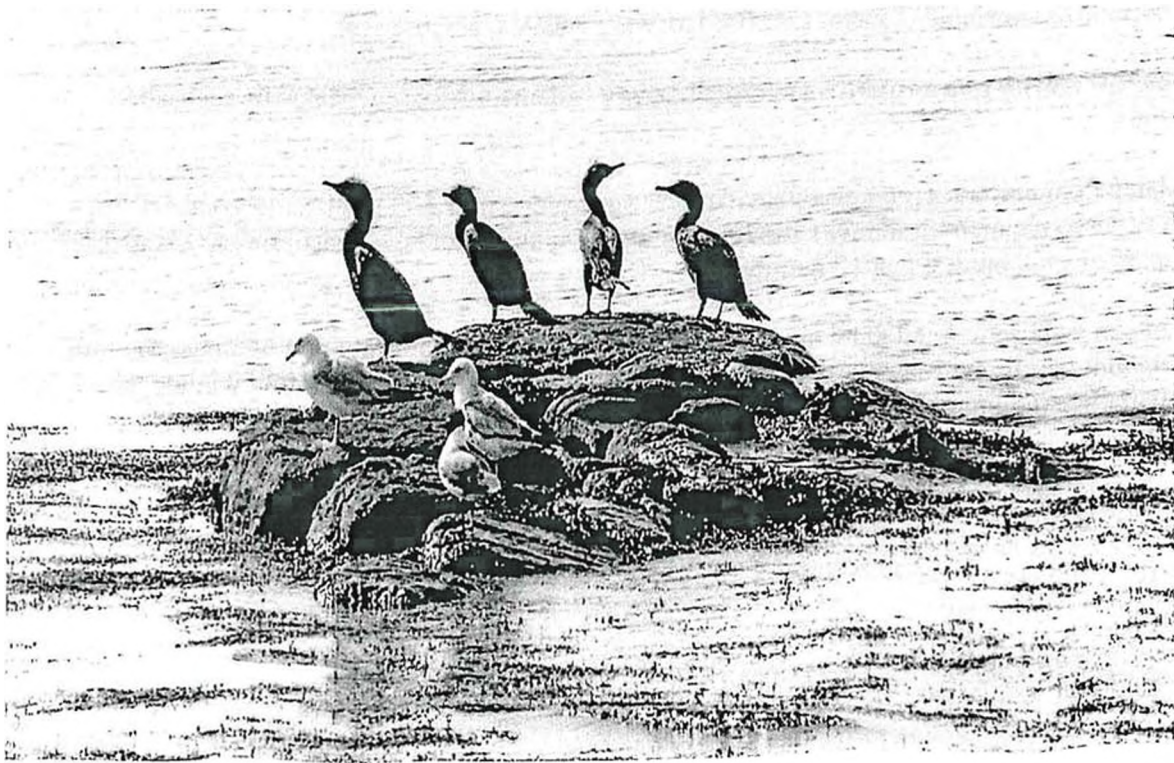


Photo courtesy of Lydia Goetze



Keeping neighbors warm this winter.

**Town of Southwest Harbor
2017 Tax Appropriation Request
MDI Community Campfire Coalition**

The MDI Community Campfire Coalition was created in 2008 by area non-profits to provide heating assistance to those in need on MDI and the surrounding islands. On behalf of the MDI Community Campfire Coalition, we ask the Town of Southwest Harbor for its support in the amount of \$3,000 to aid us in providing fuel assistance to residents of Southwest Harbor, Maine next winter.

As of 2015 this program has been jointly managed by Harbor House Community Service Center and The Neighborhood House and all administrative costs associated with the program are absorbed by those organizations. One hundred percent of all funds raised go directly to heating assistance.

Since its inception, the MDI Community Campfire Coalition has helped 935 families. We were fortunate that the 2015-2016 Winter was mild, fuel prices were low and less people needed heating assistance. During that heating season we helped 94 families, separated by town as follows: 30 families from Southwest Harbor, 26 from Bar Harbor, 8 from Mount Desert, 24 from Tremont and 6 from the outer islands. Each applicant who qualifies receives 100 gallons of fuel or equivalent in electric, wood or propane. Applicants complete an application process and show proof of income. Income guidelines are set on a sliding scale 15% higher than LIHEAP requirements, with limits of \$26,000 per individual or \$42,700 for a family of four +. This ensures that no one is left in the cold.

With winter in full swing and economic needs continuing to swell it is important to plan ahead to make sure our neighbors and friends are safe and cared for next season. We ask the Town of Southwest Harbor to assist us with \$3,000 to ensure that the Coalition will once again be able to respond to those in need this winter.

Thank you for your support,

Harbor House Community Service Center
The Neighborhood House

Mount Height Cemetery Association

P.O. Box 861

Southwest Harbor, Maine 04679

Nov. 30, 2016

To the Citizens of Southwest Harbor,

In addition to the sales of cemetery plots to the residents of Southwest Harbor, the Association takes as its charge and responsibility the maintenance and upkeep of the entire Cemetery. It is the desire of the Association that anyone visiting any grave at any time feels the Cemetery, as a whole, is in good condition, pleasing and comfortable to the visitor, and no plot is overlooked. Barring individual arrangements for memorials, plantings and care, no grave is to be untended and the entire Cemetery is to be kept mown and in good repair, within the resources of the Association to provide.

The Association dedicates the funds it receives from the good townspeople of Southwest Harbor to that very responsibility - that we may continue to be able to meet the standards of care we have set for the Cemetery and the experience of the people who visit. It is our wish to provide a quiet, beautiful setting for friends and family to care for those who have passed from us, in service to the commitment of community we as townspeople make with each other.

The Mount Height Cemetery Association would like to express its appreciation for the anyone would like to join the Association and share that commitment, please contact James Carroll, President, Carolyn Dunbar, Secretary, or Jennifer Carroll, Treasurer. To arrange for the purchase of a plot, please contact James Carroll, President..

Sincerely,

A handwritten signature in cursive script, appearing to read "James Carroll".

Mount Height Cemetery Association

*Westside
Food
Pantry*



Sharing Is Our Story

Annual Report of the Westside Food Pantry 2015-16 (Enclosure 2)

In 2016, the Westside Food Pantry celebrated 25 years of addressing the food security needs of our neighbors in Southwest Harbor, Tremont, and Mount Desert. With its beginnings in the Undercroft of St. John Episcopal Church on Main Street, Southwest Harbor, the Pantry has provided much needed food security assistance during the economic "off-season" months of November through April. In our early years' food supplies were distributed during weekly operating hours at St. John Church. Now food vouchers redeemable at the three local food stores and are distributed twice-monthly from Harbor House Community Center. Food vouchers enable our receiving neighbors to purchase the food they need for their household. And, the dollars the food stores (Southwest Food Mart, Gott's Store, Sawyer's Market) receive for the voucher reimbursement remain in our local economy. Here are some numbers describing the work of the Westside Food Pantry.

Neighbors Served

(Nov '15—Apr '16)

1,904 Adults

641 Children

1,308 Households

\$106,470 in vouchers

(2.4% decrease from previous period)

Nearby & Far Away Neighbors Helping Address Food Security

(Sep'15—Aug' 16)

Individual Contributions:

\$73,008

Church, Civic, Business:

\$14,860

Foundations & Fundraising:

\$20,162

Total Shared Resources:

\$108,030

(8.5% decrease over previous period)

As we say, "Our Story is Sharing" and the statistics can only bear partial witness to the spirit of the entire Westside Community that shows care for its neighbors through this ongoing work of the Pantry—now in its 26th year!

A Cooperative Sharing of the Westside Communities and St. Andrew & St. John Episcopal Church
P.O. Box 767 * Southwest Harbor, ME 04679 * 207-664-8615 * westsidefoodpantry@gmail.com



Washington Hancock Community Agency
248 Bucksport Road
Ellsworth, ME 04605

November 29, 2016

Town of Southwest Harbor
PO Box 745
Southwest Harbor, ME 04679

RE: **Annual Request for Local Match Funds**

Dear Board of Selectmen:

The Washington Hancock Community Agency wishes to extend a thank you to the Southwest Harbor Selectmen and Town residents for your support last year.

The Washington Hancock Community Agency is requesting your support to enable us to apply for and leverage funding to provide and expand services provided to your community. The services WHCA provides have a direct impact on your expenditures by reducing reliance on your general assistance program.

We are requesting \$3,574 to help low income people in your community. During the last fiscal year, WHCA provided \$56,004 in services to your community. Southwest Harbor residents requested and received the following services from WHCA:

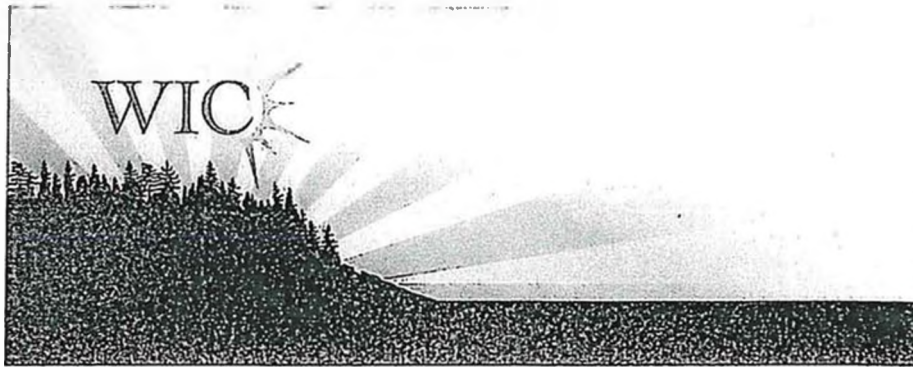
<u>Services Provided</u>	<u>Number of Households/Individuals</u>	<u>Amount Expended/\$\$ Value</u>
The Heating and Warmth Fund (THAW)	5/13	\$1,094
Housing Services	1/2	\$5,000
LIHEAP (Fuel Assistance)	38/52	\$18,160
ECIP (Emergency Crisis Intervention)	3/9	\$578
Free Income Tax Preparation	/1	\$200
Transportation (number of rides, not individuals)	381	\$22,232
Christmas is for Kids	/8	\$240
Aging in Place	/3	\$3,000
ACA Navigator	/10	\$5,500
Total		\$56,004

In addition to the above, WHCA provided supportive services specifically to veterans and their families who were facing homelessness or were at risk of homelessness; free coats to anyone who needed one; and operates the Helping Hands Garage Program, which makes reliable used cars available at reasonable rates and terms.

Thank you for your consideration. I would be happy to meet with you or your budget committee to answer any questions or address any concerns. You can reach me at 610-5944.

Sincerely,


Sarah Nugent
Third Party Request Coordinator



WIC Report

To the Residents of Southwest Harbor,

Women Infants and Children (WIC) is a federal nutrition program. We serve income eligible families in Hancock and Washington Counties.

We provide health screenings, referrals, nutrition education, and checks for healthy foods, for income eligible pregnant and nursing women, infants and children up to their 5th birthday.

The checks are for healthy foods such as: low-fat milk, cheese, juice, cereal, eggs, fruits and vegetables, whole grains, peanut butter, beans, infant cereal, infant foods and formula.

The value of the checks we provided for 28 clients in 2016 from Southwest Harbor was \$20,160. There is no cost to the clients.

Outreach services are provided in Southwest Harbor at the St. John's Episcopal Church.

Thank you for your past support of our program.

Trudy Lunt LPN

A handwritten signature in cursive script that reads "Trudy Lunt".

Local WIC Director
248 State Street, Suite 3A, Box 10
Ellsworth, Me 04605
Phone 667-5304 Ext 222
Email tlunt@fpam.org

NOTES



**Town Meeting Warrant
And
Secret Ballot Election**

**Monday, May 1, 2017
And
Tuesday, May 2, 2017**

County of Hancock, ss.

State of Maine

To: Chief Alan Brown, a Constable of the Town of Southwest Harbor, in the County of Hancock, State of Maine.

Greeting:

In the name of the State of Maine you are hereby required to notify and warn the inhabitants of the Town of Southwest Harbor, in said county and state, qualified by law to vote in Town affairs, to meet in the Pemetic Elementary School, First Floor Auditorium, in said Town, on **Monday, the 1st day of May, 2017 A.D. at seven o'clock in the evening**, then and there to act on Articles numbered one [1] through fifty-three [53].

And to notify and warn said inhabitants to meet in the Southwest Harbor Fire Station Meeting Room on **Tuesday, the 2nd day of May, 2017 A.D. at ten o'clock in the forenoon**, then and there to act upon Articles numbered fifty-four [54] through fifty-six [56] by secret ballot, the polling hours therefore to be from 10:00 a.m. to 8:00 p.m.

Article 1: Election of Moderator – To choose a Moderator to preside at the meeting.

Article 2: To fix compensation for the Board of Selectmen. Members of the Superintending School Committee and Members of the Board of Trustees of the Mount Desert Island Regional School District.

Article 3: To authorize the Selectmen to choose and appoint all other non-elected municipal positions.

SOUTHWEST HARBOR SCHOOL DEPARTMENT

Note: Articles 4 through 14 authorize expenditures in cost center categories

Article 4: To see what sum the School Committee is authorized to expend for Regular Instruction for the fiscal year beginning July 1, 2017 and ending June 30, 2018.

<i>School Board recommends</i>	<i>\$ 1,076,843</i>
<i>Board of Selectmen recommends</i>	<i>\$ 1,076,843</i>
<i>Warrant Committee recommends</i>	<i>\$ 1,076,843</i>

Note: 2016-17 Amount was \$1,096,054

Article 5: To see what sum the School Committee is authorized to expend for Special Education for the fiscal year beginning July 1, 2017 and ending June 30, 2018.

<i>School Board recommends</i>	\$ 904,693
<i>Board of Selectmen recommends</i>	\$ 904,693
<i>Warrant Committee recommends</i>	\$ 904,693

Note: 2016-17 Amount was \$ 781,811

Article 6: To see what sum the School Committee is authorized to expend for Career and Technical Education for the fiscal year beginning July 1, 2017 and ending June 30, 2018.

<i>School Board recommends</i>	\$ -0-
<i>Board of Selectmen recommends</i>	\$ -0-
<i>Warrant Committee recommends</i>	\$ -0-

Note: 2016-17 Amount was \$ -0-

Article 7: To see what sum the School Committee is authorized to expend for Other Instruction for the fiscal year beginning July 1, 2017 and ending June 30, 2018.

<i>School Board recommends</i>	\$ 61,607
<i>Board of Selectmen recommends</i>	\$ 61,607
<i>Warrant Committee recommends</i>	\$ 61,607

Note: 2016-17 Amount was \$ 58,710

Article 8: To see what sum the School Committee is authorized to expend for Student & Staff Support for the fiscal year beginning July 1, 2017 and ending June 30, 2018.

<i>School Board recommends</i>	\$ 349,677
<i>Board of Selectmen recommends</i>	\$ 349,677
<i>Warrant Committee recommends</i>	\$ 349,677

Note: 2016-17 Amount was \$ 343,610

Article 9: To see what sum the School Committee is authorized to expend for System Administration for the fiscal year beginning July 1, 2017 and ending June 30, 2018.

<i>School Board recommends</i>	\$ 68,313
<i>Board of Selectmen recommends</i>	\$ 68,313
<i>Warrant Committee recommends</i>	\$ 68,313

Note: 2016-17 Amount was \$ 62,332

Article 10: To see what sum the School Committee is authorized to expend for School Administration for the fiscal year beginning July 1, 2017 and ending June 30, 2018.

<i>School Board recommends</i>	\$ 240,928
<i>Board of Selectmen recommends</i>	\$ 240,928
<i>Warrant Committee recommends</i>	\$ 240,928

Note: 2016-17 Amount was \$ 201,638

Article 11: To see what sum the School Committee is authorized to expend for Transportation & Buses for the fiscal year beginning July 1, 2017 and ending June 30, 2018.

<i>School Board recommends</i>	<i>\$ 148,261</i>
<i>Board of Selectmen recommends</i>	<i>\$ 148,261</i>
<i>Warrant Committee recommends</i>	<i>\$ 148,261</i>

Note: 2016-17 Amount was \$ 148,945

Article 12: To see what sum the School Committee is authorized to expend for Facilities Maintenance for the fiscal year beginning July 1, 2017 and ending June 30, 2018.

<i>School Board recommends</i>	<i>\$ 382,188</i>
<i>Board of Selectmen recommends</i>	<i>\$ 382,188</i>
<i>Warrant Committee recommends</i>	<i>\$ 382,188</i>

Note: 2016-17 Amount was \$ 378,884

Article 13: To see what sum the School Committee is authorized to expend for Debt Service and Other Commitments for the fiscal year beginning July 1, 2017 and ending June 30, 2018.

<i>School Board recommends</i>	<i>\$ 261,050</i>
<i>Board of Selectmen recommends</i>	<i>\$ 261,050</i>
<i>Warrant Committee recommends</i>	<i>\$ 261,050</i>

Note: 2016-17 Amount was \$ 318,598

Article 14: To see what sum the School Committee is authorized to expend for All Other Expenditures for the fiscal year beginning July 1, 2017 and ending June 30, 2018.

<i>School Board recommends</i>	<i>\$ 75,000</i>
<i>Board of Selectmen recommends</i>	<i>\$ 75,000</i>
<i>Warrant Committee recommends</i>	<i>\$ 75,000</i>

Note: 2016-17 Amount was \$75,000

Note: Articles 4 – 14 authorize a total budget of \$ 3,568,560

Note: 2016-17 Amount was \$3,465,582

Note: Articles 15 – 17 raise funds for the Proposed School Budget (Hand Count)

Article 15: To see what sum the voters of the Town of Southwest Harbor will appropriate for the total cost of funding public education from kindergarten to grade 12 as described in the essential Programs and Services Funding Act (Recommend \$1,826,587) and to see what sum the voters of the Town of Southwest Harbor will raise as the Town's contribution to the total cost of funding public education from kindergarten to grade 12 as described in the Essential Programs and Services Funding Act in accordance with the Maine Revised Statutes, Title 20-A, section 15688 for the period July 1, 2017 to June 30, 2018.

<i>School Board recommends</i>	<i>\$ 1,610,263</i>
<i>Board of Selectmen recommends</i>	<i>\$ 1,610,263</i>

Explanation: The Town of Southwest Harbor's contribution to the total cost of funding public education, from kindergarten to grade 12 as described in the Essential Programs and Services Funding Act is the amount of money determined by state law to be the minimum amount that a municipality must raise in order to receive the full amount of state dollars.

Article 16: To see what sum the voters of the Town of Southwest Harbor will raise and appropriate for the annual payments on debt service previously approved by the legislative body for non-state-funded school construction projects, non-state funded portions of school construction projects and minor capital projects in addition to the funds appropriated as the local share of the Town of Southwest Harbor's contribution to the total cost of funding public education, from kindergarten to grade 12, for the period July 1, 2017 to June 30, 2018.

<i>School Board recommends</i>	<i>\$ 261,050</i>
<i>Board of Selectmen recommends</i>	<i>\$ 261,050</i>
<i>Warrant Committee recommends</i>	<i>\$ 261,050</i>

Explanation: Non-state-funded debt service is the amount of money needed for the annual payments on the Town of Southwest Harbor's long-term debt for major capital school construction projects and minor capital renovation projects that are not approved for state subsidy. The bonding of this long-term debt was approved by the voters on November 2, 1999.

Written Ballot Vote Required

Article 17: To see what sum the voters of the Town of Southwest Harbor will raise and appropriate in additional local funds for school purposes (Recommend: \$1,390,331) for the period July 1, 2017 to June 30, 2018, which exceeds the State's Essential Programs and Services allocation model (Recommend: \$1,361,249) as required to fund the budget recommended by the school committee.

The School Committee recommends \$ **1,390,331** for additional local funds and gives the following reasons for exceeding the State's Essential Programs and Services funding model by \$ **1,361,249**: The State funding model underestimates the actual costs to fully fund the 2017-2018 budget.

Explanation: The additional local funds are those locally raised funds over and above the Town of Southwest Harbor's local contribution to the total cost of funding public education from kindergarten to grade 12 as described in the Essential Programs and Services Funding Act and local amounts raised for the annual payment on non-state funded debt service that will help achieve the Town of Southwest Harbor's budget for educational programs.

Note: Articles 15, 16, & 17 raise a total town appropriation of **\$3,261,644**

Note: 2016-17 Total Town Appropriation was \$3,256,220

Note: Article 18 summarizes the proposed school budget and does not authorize any additional expenditures. (Hand Count)

Article 18: To see what sum the voters of the Town of Southwest Harbor will authorize the School Committee to expend for the fiscal year beginning July 1, 2017 and ending June 30, 2018 from the Town's contribution to the total cost of funding public education from kindergarten to grade 12 as described in the Essential Programs and Services Funding Act, non-state-funded school construction projects, additional local funds for school purposes under the Maine Revised Statutes, Title 20-A, section 15690, unexpended balances, tuition receipts, state subsidy and other receipts for the support of schools.

<i>School Board recommends</i>	<i>\$ 3,568,560</i>
<i>Board of Selectmen recommends</i>	<i>\$ 3,568,560</i>
<i>Warrant Committee recommends</i>	<i>\$ 3,568,560</i>

Note: 2016-17 Total Budget was \$3,465,582

Article 19: In addition to the amount in Articles 4 – 18, shall the School Committee be authorized to expend such other sums as may be received from federal or state grants or programs or other sources during the fiscal year 2017-2018 for school purposes provided that such grants, programs or other sources do not require the expenditure of other funds not previously appropriated?

Current Year Totals: \$86,504

<i>School Board recommends passage</i>
<i>Board of Selectmen recommends passage</i>
<i>Warrant Committee recommends passage</i>

GENERAL GOVERNMENT

Article 20: To see what sum the Town will vote to raise and appropriate for Administration for the period July 1, 2017 to June 30, 2018.

Requested:	\$ 310,647
Source: Payment in Lieu of Taxes	\$ 23,200
Fees & Licenses	\$ 30,300
State & Federal Assistance	\$ 84,400
Fines & Penalties	\$ 32,000
Miscellaneous Income	\$ 12,500
Contracted Services	\$ 7,200
Taxation	<u>\$ 121,047</u>
Total:	\$ 310,647
<i>Board of Selectmen recommends</i>	<i>\$ 310,647</i>
<i>Warrant Committee recommends</i>	<i>\$ 310,647</i>

Note: 2016-17 Amount was \$252,799

Article 21: To see what sum the Town will vote to raise and appropriate for **Code Enforcement /LPI** for the period July 1, 2017 to June 30, 2018.

Requested:	\$ 45,426
Source: Fees & Licenses	\$ 23,000
Taxation	\$ 22,426
Total:	\$ 45,426
<i>Board of Selectmen recommends</i>	\$ 45,426
<i>Warrant Committee recommends</i>	\$ 45,426

Note: 2016-17 Amount was \$46,167

Article 22: To see what sum the Town will vote to raise and appropriate for **Southwest Harbor Boards and Committees** for the period July 1, 2017 to June 30, 2018.

Requested:	\$ 1,900
Source: Fees & Licenses	\$ 500
Taxation	\$ 1,400
Total:	\$ 1,900
<i>Board of Selectmen recommends</i>	\$ 1,900
<i>Warrant Committee recommends</i>	\$ 1,900

Note: 2016-17 Amount was \$2,000

Article 23: To see what sum the Town will vote to raise and appropriate for **Contracted Services** for the period July 1, 2017 to June 30, 2018.

Requested:	\$ 638,525
Source: Miscellaneous Income	\$ 25,000
Taxation	\$ 613,525
Total:	\$ 638,525
<i>Board of Selectmen recommends</i>	\$ 638,525
<i>Warrant Committee recommends</i>	\$ 638,525

Note: 2016-17 Amount was \$635,775

Article 24: To see what sum the Town will vote to raise and appropriate for **Debt Service** for the period July 1, 2017 to June 30, 2018.

Requested:	\$ 405,736
Source: Taxation	\$ 405,736
<i>Board of Selectmen recommends</i>	\$ 405,736
<i>Warrant Committee recommends</i>	\$ 405,736

Summary of Debt Service:

Fire Station	\$ 63,713
Water Tank	\$ 18,569
Main Street	\$ 131,000
Wesley-Mansell	\$ 105,904
Ferrero Fire Truck	<u>\$ 86,550</u>
Total:	<u>\$ 405,736</u>

Note: 2016-17 Amount was \$408,970

Article 25: To see what sum the Town will vote to raise and appropriate for **Insurance Purposes** for various Town properties and activities for the period July 1, 2017 to June 30, 2018.

Requested:	\$ 39,269
Source: Taxation	\$ 39,269
Board of Selectmen recommends	\$ 39,269
Warrant Committee recommends	\$ 39,269

Note: 2016-17 Amount was \$35,700

Article 26: To see what sum the Town will vote to raise and appropriate for the **Municipal Offices** for the period July 1, 2017 to June 30, 2018.

Requested:	\$ 26,923
Source: Fees & Licenses	\$ 500
Taxation	<u>\$ 26,423</u>
Total:	\$ 26,923
Board of Selectmen recommends	\$ 26,923
Warrant Committee recommends	\$ 26,923

Note: 2016-17 Amount was \$28,580

Article 27: To see what sum the Town will vote to raise and appropriate for **Community Service Organizations** for the period July 1, 2017 to June 30, 2018.

Requested:	\$ 34,364
Source: Taxation	\$ 34,364
Board of Selectmen recommends	\$ 34,364
Warrant Committee recommends	\$ 34,364

Summary of Community Service Organizations:

Bar Harbor Food Pantry	\$ 2,500
Downeast Horizons	\$ 1,800
Eastern Area on Aging	\$ 1,500
Hancock Home Care	\$ 1,870

Hospice of Hancock County	\$ 1,000
Island Connections	\$ 2,000
Island Explorer Bus Service	\$ 10,000
MDI Campfire Coalition	\$ 3,000
Mt Height Cemetery	\$ 3,500
Westside Food Pantry	\$ 2,500
Washington/Hancock Community Agency	\$ 3,574
WIC Nutrition Program	\$ 1,120

Total: \$ 34,364

Note: 2016-17 Amount was \$31,824

Article 28: To see what sum the Town will vote to raise and appropriate for the **Southwest Harbor Public Library** for the period July 1, 2017 to June 30, 2018.

Requested:	\$ 55,000
Source: Taxation	\$ 55,000
<i>Board of Selectmen recommends:</i>	\$ 55,000
<i>Warrant Committee recommends</i>	\$ 55,000

Note: 2016-17 Amount was \$55,000

Article 29: To see what sum the Town will vote to raise and appropriate for **Harbor House Youth Center and Recreation Programs** for the period July 1, 2017 to June 30, 2018.

Requested:	\$ 59,640
Source: Taxation	\$ 59,640
<i>Board of Selectmen recommends</i>	\$ 59,640
<i>Warrant Committee recommends</i>	\$ 59,640

Note: 2016-17 Amount was \$59,640

Article 30: To see what sum the Town will vote to raise and appropriate for the **Southwest Harbor / Tremont Nursing Service** for the period July 1, 2017 to June 30, 2018.

Requested:	\$ 58,000
Source: Taxation	\$ 58,000
<i>Board of Selectmen recommends</i>	\$ 58,000
<i>Warrant Committee recommends</i>	\$ 58,000

Note: 2016-17 Amount was \$57,500

Article 31: To see what sum the Town will vote to raise and appropriate for the Southwest Harbor Highway Department for the period July 1, 2017 to June 30, 2018.

Requested:	\$ 280,173
Source: Excise Tax	\$ 261,873
Fees & Licenses	\$ 300
State & Federal Assistance	\$ 18,000
Total:	\$ 280,173
<i>Board of Selectmen recommends</i>	\$ 280,173
<i>Warrant Committee recommends</i>	\$ 280,173

Note: 2016-17 Amount was \$323,100

Article 32: To see what sum the Town will vote to raise and appropriate for the Southwest Harbor Police Department for the period July 1, 2017 to June 30, 2018.

Requested:	\$ 485,814
Source: Fees & Licenses	\$ 1,050
Fines & Penalties	\$ 2,000
Taxation:	\$ 482,764
Total:	\$ 485,814
<i>Board of Selectmen recommends</i>	\$ 485,814
<i>Warrant Committee recommends</i>	\$ 485,814

Note: 2016-17 Amount was \$463,498

Article 33: To see what sum the Town will vote to raise and appropriate for the Southwest Harbor Dispatch Department for the period July 1, 2017 to June 30, 2018.

Requested:	\$ 271,257
Source: Service Revenue	\$ 44,000
Taxation	\$ 227,257
Total:	\$ 271,257
<i>Board of Selectmen recommends</i>	\$ 271,257
<i>Warrant Committee recommends</i>	\$ 271,257

Note: 2016-17 Amount was \$255,940

Article 34: To see what sum the Town will vote to raise and appropriate for the Southwest Harbor Fire Department for the period July 1, 2017 to June 30, 2018.

Requested:	\$ 81,783
Source: Taxation	\$ 81,783
<i>Board of Selectmen recommends</i>	\$ 81,783
<i>Warrant Committee recommends</i>	\$ 81,783

Note: 2016-17 Amount was \$80,391

Article 35: To see what sum the Town will vote to raise and appropriate for the Harbor Department of Southwest Harbor for the period July 1, 2017 to June 30, 2018.

Requested:	\$ 105,901
Source: Fees & Licenses	\$ 100,600
Taxation	<u>\$ 5,301</u>
Total:	\$ 105,901
<i>Board of Selectmen recommends</i>	<i>\$ 105,901</i>
<i>Warrant Committee recommends</i>	<i>\$ 105,901</i>

Note: 2016-17 Amount was \$105,183

CAPITAL IMPROVEMENTS & RESERVES

Article 36: To see what sum the Town will vote to raise and appropriate for the Capital Improvement Plan for the period July 1, 2017 to June 30, 2018 with the Select Board being authorized to draw funds from these accounts to be used in accordance with the purpose of the account.

Requested:	\$ 321,300
Source: Excise Tax	\$ 138,127
Taxation	<u>\$ 183,173</u>
Total:	\$ 321,300
<i>Board of Selectmen recommends</i>	<i>\$ 321,300</i>
<i>Warrant Committee recommends</i>	<i>\$ 321,300</i>

Capital Improvement Plan Summary:

Administration	\$ -0-
Municipal Building	\$ 1,000
Police	\$ 12,500
Dispatch	\$ 10,500
Fire	\$ 9,000
Harbor	\$ 15,000
Highway	\$ 173,300
Water/Sewer Infrastructure	<u>\$ 100,000</u>
Total:	<i>\$ 321,300</i>

Note: 2016-17 Amount was \$268,637

Article 37: To see if the Town will vote to reduce the **Unemployment Reserve** by the sum of \$15,000 for the period July 1, 2017 to June 30, 2018 and credit the **Legal & Accounting Reserve** \$10,000 and the **Salt & Sand Reserve** \$5,000 with the Select Board being authorized to draw funds from the reserve account to be used in accordance with the purpose of the account.

Requested: Reduction of:	\$ (15,000)
<i>Board of Selectmen recommends</i>	<i>\$ (15,000)</i>
<i>Warrant Committee recommends</i>	<i>\$ (15,000)</i>

Note: 2016-17 Amount was \$-0-

Article 38: To see if the Town will vote to reduce the **Tax Abatement Reserve** by the sum of \$3,000 for the period July 1, 2017 to June 30, 2018 and credit the **Wage & Benefit Reserve** \$3,000 with the Select Board being authorized to draw funds from the reserve account to be used in accordance with the purpose of the account.

Requested: Reduction of:	\$ (3,000)
<i>Board of Selectmen recommends</i>	<i>\$ (3,000)</i>
<i>Warrant Committee recommends</i>	<i>\$ (3,000)</i>

Note: 2016-17 Amount was \$-0-

Article 39: To see what sum the Town will vote to raise and appropriate for the **Mapping Update Reserve** for the period July 1, 2017 to June 30, 2018 with the Select Board being authorized to draw funds from the reserve account to be used in accordance with the purpose of the account.

Requested:	\$ 300
Source: Taxation	\$ 300
<i>Board of Selectmen recommends</i>	<i>\$ 300</i>
<i>Warrant Committee recommends</i>	<i>\$ 300</i>

Note: 2016-17 Amount was \$300

Article 40: To see what sum the Town will vote to raise and appropriate for the **Rhoades Park Reserve** for the period July 1, 2017 to June 30, 2018 with the Select Board being authorized to draw funds from the reserve account to be used in accordance with the purpose of the account

Requested:	\$ 5,500
Source: Taxation	\$ 5,500
<i>Board of Selectmen recommends</i>	<i>\$ 5,500</i>
<i>Warrant Committee recommends</i>	<i>\$ 5,500</i>

Note: 2016-17 Amount was \$4,500

Article 41: To see what sum the Town will vote to raise and appropriate for the Tree Fund Reserve for the period July 1, 2017 to June 30, 2018 with the Select Board being authorized to draw funds from the reserve account to be used in accordance with the purpose of the account

Requested: \$ 2,000

Source: Taxation \$ 2,000

Board of Selectmen recommends \$ 2,000

Warrant Committee recommends \$ 2,000

Note: 2016-17 Amount was \$2,000

Article 42: To see what sum the Town will vote to raise and appropriate for the HRA Insurance Reserve for the period July 1, 2017 to June 30, 2018 with the Select Board being authorized to draw funds from the reserve account to be used in accordance with the purpose of the account

Requested: \$ 10,000

Source: Taxation \$ 10,000

Board of Selectmen recommends \$ 10,000

Warrant Committee recommends \$ 10,000

Note: 2016-17 Amount was \$48,000

Article 43: To see what sum the Town will vote to raise and appropriate for the SWH Historic Cemetery Reserve for the period July 1, 2017 to June 30, 2018 with the Select Board being authorized to draw funds from the reserve account to be used in accordance with the purpose of the account

Requested: \$ 2,000

Source: Taxation \$ 2,000

Board of Selectmen recommends \$ 2,000

Warrant Committee recommends \$ 2,000

Note: 2016-17 Amount was \$-0-

Article 44: To see if the Town will vote to increase the property tax levy limit of \$3,491,185.37 established for Southwest Harbor by State Law in the event that the municipal budget approved under the preceding articles will result in a tax commitment that is greater than that property tax levy limit.

Board of Selectmen recommends passage.

Article 45: To see if the Town will vote to allow that the first half of taxes shall be due and payable on or before September 5, 2017 and that the second half of taxes shall be due and payable on or before February 5, 2018 and that interest shall be charged at the annual rate of 7% on any unpaid taxes due on September 5, 2017 beginning September 6, 2017 and on any unpaid taxes due February 5, 2018 beginning February 6, 2018. Also, that a rate of 3% interest per annum is paid for refund of property tax collected in accordance to state statute. (Tax Club members are exempt within the terms and conditions of the Town's Tax Club Agreement.)

Board of Selectmen recommends passage.

Article 46: To see if the Town will vote to reduce the amount to be raised by taxation by using estimated revenues and fund balances for the Municipal Budget for the fiscal year of July 1, 2017 to June 30, 2018.

Note: In addition to property taxes, the Town receives other revenues from fees, licenses, excise taxes, et cetera. The Town sometimes uses monies left over from prior years (fund balance). The funds shown in this article reduce the amount of property taxes that have to be raised.

Sources of Revenues	Estimated 2017-2018
Payment in Lieu of Taxes	\$ 23,200
Fees & Licenses	\$ 556,750
State & Federal Assistance	\$ 102,400
Fines & Penalties	\$ 32,000
Service Revenue	\$ 51,200
Miscellaneous	\$ 37,000
Estimated Revenue Total	\$ 802,550

NON-EXPENDITURE ARTICLES

Article 47: To see if the Town will vote to authorize the Select board to apply for and receive money, without further action by Town Meeting, from the **State of Maine**, which may become available during the ensuing year, including but not limited to the following sources:

Municipal Revenue Sharing	\$ 54,000	Est.
Local Road Assistance	\$ 19,000	Est.
State Aid to Education	\$ 110,000	Est.
Public Library State Aid per Capita	\$ 100	Est.
Civil Emergency Funds	\$ 100	Est.
Snowmobile Registration Monies	\$ 300	Est.
Tree Growth Reimbursements	\$ 1,500	Est.
General Assistance Reimbursements	\$ 2,500	Est.
State Grants and Other Funds	Unknown	

Together with any other State and/or Federal Grants which may be available at any time during the coming year.

Board of Selectmen recommends passage.

Article 48: To see if the Town will vote to accept all **Trust Funds** as received by the Town of Southwest Harbor Trust Officer during the fiscal year of July 1, 2017 to June 30, 2018.

Board of Selectmen recommends passage.

Article 49: To see if the Town will vote to have unexpended balances in the Town's accounts at the end of the fiscal year, except those which remain by law or are deemed necessary by the Board of Selectmen, transferred to the Surplus Account or to any specified reserve fund, as deemed advisable by the Board of Selectmen, and to fund overdrafts in the Town's accounts from such unexpended balances, as deemed advisable by the Board of Selectmen.

Board of Selectmen recommends passage.

Article 50: To see if the Town will vote to authorize the Selectmen to sell and/or dispose of any property acquired by tax liens after first offering the property to the previous owners for payment of all back taxes, fees and interest, and if they decline, advertising for sealed bids on same, and stating the lowest bid acceptable, and to allow the Selectmen to authorize the Treasurer to waive automatic lien foreclosures when it is in the best interest of the Town.

Board of Selectmen recommends passage.

Article 51: To see if the Town will vote to authorize the municipal officers to dispose of town owned personal property with a value of \$20,000 or less under such terms and conditions as they deem advisable.

Board of Selectmen recommends passage.

Article 52: To see if the Town will vote to authorize the Tax Collector or Treasurer to accept prepayment of taxes not yet committed pursuant to 36 M.R.S.A. §506.

Board of Selectmen recommends passage.

Article 53: To see if the Town will vote to allow the Municipal Officers to enter into multiyear contracts.

Board of Selectmen recommends passage.

**The following articles will be voted on by secret ballot on
Tuesday, May 2, 2017**

Article 54: Election of Officers – To elect all necessary Town Officers as are required to be elected by secret ballot:

Two [2] members of the Board of Selectmen for a three [3] year term.

Two [2] member of the Superintending School Committee for a three [3] year term.

One [1] member of the Board of Trustees of the Mount Desert Island Regional School District for a three [3] year term.

Article 55: Question 1 –

Shall an ordinance entitled “Disbursement Of Excess Funds Received From The Sale Of Tax Acquired Property Ordinance” be enacted? 30-A M.R.S.A. § 3002(3).

Article 56: Question 2 –

Shall the Town (1) approve a capital project consisting of water line replacement and road reconstruction, including engineering and design costs, transaction costs and other expenses reasonably related thereto; (2) appropriate the sum of \$2,359,005 to fund the project; (3) authorize the Town Treasurer and the Chair of the Select Board to accept such grants as may become available through the Maine Department of Transportation or other sources, and issue general obligation securities of the Town (including temporary notes in anticipation of the sale

thereof) in an aggregate principal amount not to exceed \$2,359,005 to fund the appropriation; and (4) delegate to the Treasurer and the Chair the authority and discretion to fix the dates, maturities, interest rates, denominations, calls for redemption (with or without premium), form, and other details of said securities, including authority to execute and deliver the securities on behalf of the Town?

Explanatory note: The project will include resurfacing Fernald Point Road, Village Green parking, Village Green Way, Clark Point Road (Main St to Herrick), Hillcrest Acres, Shore Road (from Spar Cottage to Kings Lane to Seawall Road), Freeman Ridge and Robinson Lane. It also includes, design work, utilities reconstruction and road resurfacing on Cedar Lane, Robinson Hill and Claremont Road. The sidewalk and railing at the bulkhead across Claremont Road will be reconstructed plus adequate storm water drainage.

FINANCIAL STATEMENT

Total Town Indebtedness:

A.	Outstanding balance of the Sewer Department bonds:	\$1,193,278.00
B.	Outstanding balance of the Water Department bonds:	\$2,053,143.92
C.	Outstanding balance of School bonds:	\$1,044,200.00
D.	Outstanding balance of other general obligation bonds:	\$2,657,282.00
E.	Bonds authorized and unissued:	\$-0-
F.	Anticipated amount of bonds to be issued:	\$2,359,005.00
	Total:	\$9,306,908.92

Costs: At an estimated net interest rate of 3.5% for a twenty (20) year maturity, the estimated cost of this bond issue will be:

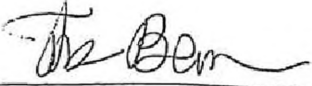
Total Principal	\$2,359,005.00
Interest:	\$ 925,395.00
Total Debt Service:	\$3,284,400.00

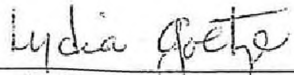
Validity: The validity of the bonds and the voter's ratification of the bonds may not be affected by any errors in the above estimates, the ratification by the voters is nonetheless conclusive and the validity of the bonds is not affected by reason of the variance

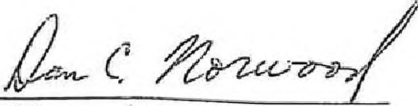
The polls will be open from 10:00 a.m. until 8:00 p.m. on Tuesday, May 2, 2017 for the election of Town Officers and referendum balloting.

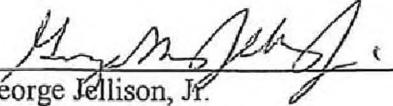
The Board of Selectmen hereby gives notice that the Registrar of Voters will be in the Southwest Harbor Town Office in said Town of Southwest Harbor on Friday, April 28, 2017 from 8:30 a.m. until 5:00 p.m. for the purpose of registering new voters.

Given under our hands this 11th day of April, 2017


Thomas Benson, Chairman


Lydia Goetze, Vice-Chair


Dan Norwood


George Jellison, Jr.


Chad Terry

The original warrant is on file at the Town Office. Attested copies are posted at the Town Office, Police Station and Post Office.

Budget Summary, FY 17-18		Budget FY 14-15	Actual FY 14-15	Budget FY 15-16	Actual FY 15-16	Budget FY 16-17	Budget FY 17-18	\$ Differ- ence
Revenue:		725,000	1,115,370	737,100	1,054,076	766,275	802,550	36,275
Expense:	Administration	242,437	208,987	243,497	265,345	252,799	310,647	57,848
	Assessor/Planning/CEO	73,294	75,161	41,501	40,439	46,167	45,426	-741
	Boards & Committees	5,500	1,923	4,000	4,344	2,000	1,900	-100
	Contracted Services	595,300	595,653	636,200	628,072	635,775	638,525	2,750
	Debt Service	424,434	375,148	419,470	369,186	408,970	405,736	-3,234
	Insurance	33,950	31,400	35,700	24,974	35,700	39,269	3,569
	Municipal Office	23,780	20,555	25,990	17,636	28,580	26,923	-1,657
	Community Services	201,019	201,019	201,164	201,164	203,664	207,004	3,340
	Highway	300,734	339,145	328,929	289,750	323,100	280,173	-42,927
	Police	448,466	408,730	455,097	400,651	463,498	485,814	22,316
	Dispatch	258,442	239,850	260,188	245,830	255,940	271,257	15,317
	Fire	82,605	79,823	83,970	70,760	80,931	81,783	852
	Harbor	103,831	100,817	106,501	103,282	105,183	105,901	718
	Total:	2,798,790	2,678,210	2,842,207	2,661,433	2,842,307	2,900,358	58,051
Capital Improvement		308,375	308,375	308,211	308,211	268,637	321,300	52,663
Reserve Accounts		38,000	38,000	26,326	26,326	79,300	19,800	-59,500
Municipal Budget		3,145,165	3,024,585	3,176,744	2,995,970	3,190,244	3,241,458	51,214

Reserve Account Allocation

Admin	Item	Goal Balance	Budget FY 14-15	Budget FY 15-16	Budget FY 16-17	Estimated Balance on 6/30/17	Budget FY 17-18
220-02	Wage & Benefit	15,000	5,000	10,000	0	12,671	
220-05	Tax Abatement	10,000	3,500	-2,734	0	13,292	-3,000
220-06	Legal & Accounting	25,000	12,000	5,000	10,000	15,000	
220-07	Professional Development	20,000	10,000	9,000	8,000	66,251	
220-17	Comprehensive Plan	7,500	0	0	0	-401	0
220-19	Unemployment Reserve	10,000	7,500	0	0	25,288	-15,000
220-40	General Assistance	5,000		5,000	1,500	6,000	
220-20	Conservation, Rhoades Park	5,500			4,500	260	5,500
220-23	Tree Fund	2,000			2,000	0	2,000
220-38	Salt & Sand	40,000			5,000	35,000	
220-24	HRA Insurance	48,000			48,000	38,000	10,000
220-25	SWH Historic Cemetery	10,000					2,000
220-52	Mapping Update	1,500	0	60	300	624	300
	Department Total:		38,000	26,326	79,300	211,985	19,800

NOTE: Debit \$18,000 from 220-05 & 220-19; Credit \$10,000 to 220-06; \$3,000 to 220-02; \$5,000 to 220-37

Capital Improvement Plan (CIP) FY 17-18

CATEGORY	REPLACEMENT COST	FY 16-17 BUDGET	6/30/17 Balance	Est FY 17-18 BUDGET
Administration	133,950	8,825	75,759	0
Municipal Buildings	68,000	12,400	36,996	1,000
Police	82,000	10,001	3,008	12,500
Dispatch	45,000	0	842	10,500
Fire Department	2,240,000	11,130	123,378	9,000
Harbor	679,210	1,855	189,124	15,000
Highway	1,888,050	143,782	543,562	173,300
Water-Sewer	TBD	75,000	41,000	100,000
Total		262,993	1,013,669	321,300

REAL ESTATE TAXES DUE FOR FY 2015-2016

Total Outstanding as of July 1st, 2016 is \$156,940.56 over 47 accounts

Current Outstanding as of April 1st, 2016 are as follows:

<u>Name</u>	<u>Amount Due</u>
Brawn, Clara H. (Heirs)	\$133.42
Brouty, Tammy	\$2,992.87
Donovan, Kathy	\$2,811.15
Fairwinds Management Maine, LLC	\$3,145.19
Fletcher, Theodore & Ann Kidder	\$3,230.71
Gilley, Jack H. JR.	\$1,576.51
Goodwin, John W. JR. & Korey	\$1,854.44
Goodwin, Korey	\$1,746.20
Hamblen, James & Linda	\$2,531.88
Herrick, Bruce D.	\$1,242.45
Hinckley Mews, LLC	\$4,147.34
Islandbound Holdings, LLC	\$3,894.79
Kelley, Nahum & Melissa	\$1,366.73
King, Betty R., King, Stanwood Leslie	\$4,843.84
Lewis, Peggy	\$1,845.09
Lyman, Steven J., Lyman, Molly H.	\$2,725.63
Mccarson, LLC	\$1,174.31
Murphy, Ernest	\$1,229.10
Pomroy, Ronald O., Jr., Pomroy, Kim S.	\$766.85
Rand, Susan M. & William B.	\$2,196.51
Reed, Ronda L.	\$1,775.60
Sawyer, Nancy	\$1,605.90
Sawyer, Ronald & Carole Pinkham (2 Accounts)	\$1,390.58
Thomas, Jeffrey S. & Doris L.	\$844.27
Village Wash Tub, LLC	<u>\$5,920.46</u>
Total for 26 Accounts:	\$56,991.82

REAL ESTATE TAXES DUE FOR FY 2014-2015

Total Outstanding as of July 1st, 2016 is \$39,687.51 over 20 accounts

Current Outstanding as of April 1st, 2017 are as follows:

<u>Name</u>	<u>Amount Due</u>
Gilley, Jack H. JR	\$1,583.00
Kelley, Nahum & Melissa	\$1,354.26
Murphy, Ernest A.	\$1,217.27
Sawyer, Nancy J.	\$1,600.32
Sawyer, Ronald & Pinkham, Carole (2 Accounts)	\$1,313.04
Thomas, Jeffrey & Doris	\$737.41
Village Wash Tub, LLC	<u>\$5,893.48</u>
Total for 8 Accounts:	\$13,698.78

PERSONAL PROPERTY TAXES DUE FOR FY 2015-2016

Total Outstanding as of July 1st, 2016 is \$1,724.54 over 19 accounts

Current Outstanding as of April 1st, 2017 are as follows:

<u>Name</u>	<u>Amount Due</u>
Filicianos, LLC	\$32.15
Maine Point	\$150.46
Mansell House & Boat Rental	\$19.29
Muzak, LLC	\$12.86
Quietside Ice Cream Shoppe	\$97.74
SW Harbor Veterinary Clinic	\$16.72
SIPS	\$136.32
Stanley, Richard & Loraine	\$55.30
The Upper Deck	\$54.01
Village Wash Tub	<u>\$207.05</u>
Total for 6 Accounts:	\$781.90

PERSONAL PROPERTY TAXES DUE FOR FY 2014-2015

Total Outstanding as of July 1st, 2016 is \$387.09 over 5 accounts

Current Outstanding as of April 1st, 2017 are as follows:

<u>Name</u>	<u>Amount Due</u>
Muzak, LLC	\$43.72
Quietside Ice Cream Shoppe	\$97.74
SW Harbor Veterinary Clinic	\$16.72
Village Wash Tub	<u>\$207.05</u>
Total for 4 Accounts:	\$365.23

SOUTHWEST HARBOR SCHOOL DEPARTMENT								School Committee Approved
		15-16	16-17	16-17	17-18			3/8/2017
		Actual Receipts	Current Budget	Anticipated Receipts	Proposed Budget	\$ Difference	% Difference	
	Fund Balance							
0000-0000-450000	Carryover	107,330	53,862	131,531	111,416	57,554	106.85%	Audited
	Revenues							
0000-0000-419908	Miscellaneous	411	-	-	-	-	#DIV/0!	
0000-0000-448100	P.L. 874 (Impact Aid)	12,278	5,000	5,000	5,000	-	0.00%	Estimate
0000-0000-413110	Tuition	250	500	500	500	-	0.00%	2 Students at \$250 each
0000-0000-452000	Transfers from Reserves	-	-	-	-	-	#DIV/0!	
0000-0000-431110	State Subsidy	147,891	150,000	183,747	190,000	40,000	26.67%	Prelim State Subsidy
	Property Taxes							
0000-0000-412110	Town Appropriation	2,778,590	2,937,622	2,937,622	3,000,594	62,972	2.14%	Appropri. Incr. w/o Debt Svc.
	Articles 15 & 17	EPS & Additional Local Funds	Articles	\$ 3,000,594				
0000-0000-412120	Debt Service Approp.	342,658	318,598	318,598	261,050	(57,548)	-18.06%	
	Article 16	Debt Service Appropriation		\$ 261,050				
	Total Revenues	3,389,408	3,465,582	3,576,998	3,568,560	102,978	2.97%	
								Difference per \$100,000 valuation
		Total Town Appropriation w Debt Service =				5,424	0.17%	\$0.99

SOUTHWEST HARBOR SCHOOL DEPARTMENT

		15-16	16-17	16-17	17-18			
		Actual	Current	Anticipated	Proposed	\$	%	
Regular Instruction		Expend.	Budget	Expend.	Budget	Difference	Difference	Explanation
	Regular Instruction							
100-1000-510100	Teacher's Salaries: 3-8	552,267	575,090	575,023	604,542	29,452	5.12%	6 Classroom Teachers & Specials
100-1000-510200	Ed. Tech. Salaries	19,481	20,341	22,562	13,218	(7,123)	-35.02%	1 ed tech minus Title I Grant
100-1000-512300	Substitutes	28,139	30,000	37,000	30,000	-	0.00%	\$80/day
100-1000-520100	Medicare/Retire- Tchrs. 3-8	23,835	27,662	27,659	30,227	2,565	9.27%	
100-1000-520200	Medicare/Retire- Ed. Techs.	860	979	1,085	636	(343)	-35.04%	
100-1000-520000	SS/Med/Ret - Subs	2,581	1,900	3,000	2,500	600	31.58%	Most subs now under soc sec
100-1000-521100	BC/BS: Tchrs. 3-8	127,973	118,149	112,448	126,914	8,765	7.42%	10% Rate Incr./82% Employer Share
100-1000-521200	BC/BS: Ed. Techs.	19,409	19,409	19,409	21,093	1,684	8.68%	10% Rate Incr./82% Employer Share
100-1000-525100	Tuition Reimb - Taxable	11,831	7,000	5,500	7,000	-	0.00%	
100-1000-525101	Tuition Reimb - Non-Taxabl	3,654	8,000	5,500	8,000	-	0.00%	college courses for teachers & ed techs
100-1000-526300	Unemployment	277	5,000	1,500	5,000	-	0.00%	
100-1000-527100	Worker's Comp. Insurance	12,370	13,500	12,000	13,000	(500)	-3.70%	
100-2190-534000	Other Prof. Svcs: 504 Stude	1,619	500	500	500	-	0.00%	
100-1000-534000	Prof. Svcs.: Counsel/ESL	270	-	-	-	-	#DIV/0!	
100-1000-532000	Special Academic Programs	100	-	-	-	-	#DIV/0!	Funded with Grants
100-1000-543000	Repair & Maint. - Equipmen	-	-	-	-	-	#DIV/0!	
100-1000-558000	Staff Travel	147	1,500	1,500	1,500	-	0.00%	includes mileage, lodging & food
100-1000-561000	Teaching Supplies 3-8	14,628	12,000	14,000	12,000	-	0.00%	\$600/teacher & Lam & Copy Paper
100-1000-564000	Textbooks/Workbooks 3-8	3,467	5,000	4,500	5,000	-	0.00%	New programs with workbooks/class books
100-1000-564300	Periodicals	258	600	500	600	-	0.00%	Specific Requests
100-1000-573000	Replace/Purch of Equip.	355	4,000	4,000	4,000	-	0.00%	Mostly PE, art and music equipment
100-1000-581000	Dues, Fees, Conf. 3-8	943	2,800	2,500	2,800	-	0.00%	\$200/conference
100-1000-590000	Safety Factor Contingency	-	15,000	15,000	15,000	-	0.00%	
120-1000-510100	Teacher's Salaries: K-2	157,194	167,966	123,827	128,602	(39,364)	-23.44%	3 Classroom Teachers
120-1000-520100	Medicare/Retire- Tchrs. K-2	7,502	8,079	5,956	6,430	(1,649)	-20.41%	
120-1000-521100	BC/BS: Tchrs. K-2	30,190	42,432	26,485	29,134	(13,298)	-31.34%	10% Rate Incr./82% Employer Share
120-1000-561000	Teaching Supplies K-2	2,445	2,400	2,400	2,400	-	0.00%	\$600/teacher
120-1000-564000	Textbooks/Workbooks K-2	2,343	4,347	4,000	4,347	-	0.00%	classroom books, workbooks
120-1000-573000	Replace/Purch of Equip.	388	1,400	1,400	1,400	-	0.00%	
120-1000-581000	Dues, Fees, Conf. K-2	475	1,000	1,000	1,000	-	0.00%	\$200/conference
Total Regular Instruction		1,025,001	1,096,054	1,030,254	1,076,843	(19,211)	-1.75%	
Article 4		Regular Instruction		\$ 1,076,843				

SOUTHWEST HARBOR SCHOOL DEPARTMENT

		15-16	16-17	16-17	17-18			
		Actual	Current	Anticipated	Proposed	\$	%	
Special Education		Expend.	Budget	Expend.	Budget	Difference	Difference	Explanation
Special Education								
2200-1000-510100	Res. Rm. - Tchr. Salaries	109,532	114,775	121,691	126,460	11,685	10.18%	3 teachers
2200-1000-510200	Res. Rm. - Ed. Tech. Sal.	161,552	202,499	219,695	216,210	13,711	6.77%	12+ Ed. Techs.
2200-1000-520100	Benefits - Teachers - Res R	5,196	5,521	5,854	6,323	802	14.53%	
2200-1000-520200	Benefits - Ed. Tech.	6,067	9,946	10,568	10,811	865	8.70%	
2200-1000-521100	BC/BS: Tchr. - Res. Rm.	24,186	21,598	58,227	64,050	42,452	196.56%	10% Rate Incr./82% Employer Share
2200-1000-521200	BC/BS: Ed. Techs.	73,271	109,428	94,512	126,579	17,151	15.67%	10% Rate Incr./82% Employer Share
2200-1000-525100	Tuition Reimb. (Taxable)	-	7,500	5,000	7,500	-	0.00%	
2200-1000-543000	Repair & Maint. - Equipmen	-	-	-	-	-	#DIV/0!	
2200-1000-556000	Tuition	-	-	18,814	-	-	#DIV/0!	Any addtl costs taken out of reserve 16-17
2200-1000-558000	Staff Travel	109	400	400	400	-	0.00%	includes mileage, lodging & food
2200-1000-561000	Res. Rm. - Teach. Supplies	609	1,200	1,200	1,200	-	0.00%	specific requests
2200-1000-561001	Testing Supplies	851	1,000	1,000	1,000	-	0.00%	
2200-1000-564000	Textbooks	325	2,200	2,000	2,200	-	0.00%	
2200-1000-565000	Software	-	1,000	1,000	1,000	-	0.00%	communication software
2200-1000-573000	Replace/Purchase of Equip.	372	1,000	1,000	1,000	-	0.00%	more requests based on needs
2200-1000-581000	Dues, Fees, Conference	2,458	600	600	600	-	0.00%	
2200-1000-591000	Fund Transfers-Spec Ed Re	2,044	2,044	2,044	2,044	-	0.00%	Our Share of the MDIRSS Reserve
2500-2330-581200	Dues & Fees -IEP Anywhere	455	600	600	600	-	0.00%	
2500-2330-534400	Spec Svcs Assessment	51,552	56,923	56,923	54,644	(2,279)	-4.00%	
2800-2140-534400	Other Prof Svcs:Therap/Cou	16,203	10,000	16,000	16,000	6,000	60.00%	
2800-2150-510100	Teacher Salary: Speech	39,962	42,437	64,807	65,534	23,097	54.43%	
2800-2150-510101	Salary - Interpreter/TOD	48,254	49,581	83,952	54,414	4,833	9.75%	
2800-2150-520100	Medicare/Retirem - Speech	1,872	2,042	3,118	3,277	1,235	60.48%	
2800-2150-520101	Medicare/Retirem - Interpr	2,263	2,385	-	2,721	336	14.09%	
2800-2150-521100	BC/BS: Speech	16,011	19,409	15,947	17,542	(1,867)	-9.62%	10% Rate Incr./82% Employer Share
2800-2150-521101	BC/BS: Interpreter	19,409	19,409	-	21,093	1,684	8.68%	
2800-2150-534400	Other Prof Svcs.:Speech	19,832	6,000	6,000	7,000	1,000	16.67%	Consultants & increased needs
2800-2150-534401	Other Prof Svcs: Interpr Svc	2,510	6,500	3,000	3,000	(3,500)	-53.85%	Consultant
2800-2150-561000	Speech - Supplies	168	600	600	600	-	0.00%	
2800-2150-561001	Speech - Testing Supplies	456	1,000	1,000	1,000	-	0.00%	DIAL, CELF, TAPS assessments
2800-2150-573000	Speech - Equipment	114	500	500	500	-	0.00%	
2800-2150-581000	Speech - Dues/Fees/Conf.	480	200	325	200	-	0.00%	
2800-2180-534400	Other Prof Svcs.: OT	32,497	27,000	30,000	30,000	3,000	11.11%	
2800-2180-534400	Other Prof. Svcs.: PT	26,538	25,000	25,000	25,000	-	0.00%	
2810-1000-510100	Summer Schl: Tchr.	14,152	10,000	16,300	17,000	7,000	70.00%	
2810-1000-520100	Summer Schl: Benefits	698	481	785	850	369	76.72%	
2900-1000-510100	Teacher Salary: G & T	13,248	13,729	13,710	14,210	481	3.50%	30% Teacher
2900-1000-520100	Medicare/Retirem - G & T	560	661	660	711	50	7.56%	
2900-1000-521100	BC/BS: G & T	9,751	5,823	600	600	(5,223)	-89.70%	
2900-1000-561000	Teaching Supplies - G & T	-	300	300	300	-	0.00%	
2900-1000-564000	Books&Periodicals- G&T	486	200	200	200	-	0.00%	
2900-1000-581000	G & T: Dues/Fees/Conf.	-	320	320	320	-	0.00%	
Total Special Education		704,043	781,811	882,252	904,693	122,882	15.72%	
Article 5		Special Education			\$ 904,693			

SOUTHWEST HARBOR SCHOOL DEPARTMENT

COURTESY PARKER SCHOOL DEPARTMENT								
		15-16	16-17	16-17	17-18			
		Actual	Current	Anticipated	Proposed	\$	%	
		Expend.	Budget	Expend.	Budget	Difference	Difference	Explanation
	Article 6	Career & Technical Education			\$ -			
Other Instruction								
	Co-Curricular							
100-1000-515000	Co-Curric.: Stipends	22,704	21,971	23,289	22,891	920	4.19%	Drama / Website Mgr.
100-1000-520000	Co-Curric.: Benefits	1,196	1,057	1,121	1,145	88	8.33%	
100-1000-534000	Co-Curric.: Fine Arts Perform	-	1,500	1,500	1,500	-	0.00%	show choir: set, costumes, CD's, materials
100-1000-560000	Co-Curric.: Gen. Supplies	144	300	320	1,000	700	233.33%	band supplies/Drama Supplies
100-1000-564000	Co-Curric.: Books	1,763	1,000	1,000	1,000	-	0.00%	Jazz band music books
100-1000-560500	Co-Curric.: Equipment	1,677	1,800	1,800	1,800	-	0.00%	music equipment/repair
100-1000-581000	Co-Curric.:Dues and Fees	456	425	450	450	25	5.88%	festival fees and registration
100-2700-551000	Co-Curric.: Transportation	-	-	-	-	-	#DIV/0!	
200-1000-515000	Athletic: Stipends	8,271	18,000	18,683	18,950	950	5.28%	coaches, AD, intramural coordinator
200-1000-515001	Athletic: Stipends - Officials	743	3,000	3,000	3,000	-	0.00%	
200-1000-520000	Athletic: Benefits - Stipends	381	800	1,000	1,000	200	25.00%	
200-1000-520001	Athletic: Benefits - Officials	30	-	1	1	1		
200-1000-534000	Athletic: Other Prof Svcs	-	-	-	-	-	#DIV/0!	
200-1000-560000	Athletic: Supplies	-	-	-	-	-	#DIV/0!	
200-1000-564000	Athletic: Books	-	-	-	-	-	#DIV/0!	
200-1000-560500	Athletic: Equipment	791	1,200	1,200	1,200	-	0.00%	uniforms
200-1000-581000	Athletic: Dues/Fees/Conf.	598	320	320	320	-	0.00%	sports conference
200-2700-551000	Athletic: Transportation	-	-	-	-	-	#DIV/0!	
	Total Co-Curricular	38,754	51,373	53,684	54,257	2,884	5.61%	
Other Instruction								
	Summer School							
300-1000-510100	Summer Schl./Learning Lab	4,405	7,000	5,000	7,000	-	0.00%	Before/After school homework help
300-1000-520100	Benefits - Summ Schl/LL	208	337	241	350	13	3.86%	
300-1000-534000	Other Prof. Svcs.-Summ Sc	373	-	-	-	-	#DIV/0!	
	Total Summer School	4,986	7,337	5,241	7,350	13	0.18%	
	Article 7	Other Instruction			\$ 61,607			
Student & Staff Support								
	Guidance							
000-2120-510100	Salaries: Guidance Counse	60,573	63,807	63,807	64,534	727	1.14%	Contract Increase
000-2120-520100	Medicare/Retirement	2,864	3,069	3,069	3,227	158	5.15%	
000-2120-521100	Blue Cross/Blue Shield	21,088	19,409	19,409	21,350	1,941	10.00%	10% Rate Incr./82% Employer Share
000-2120-532000	Prof. Svcs.	-	-	-	-	-	#DIV/0!	
000-2120-558000	Staff Travel	-	125	125	125	-	0.00%	
000-2120-561000	Supplies	344	300	300	300	-	0.00%	includes Civil Rights materials
000-2120-564000	Books	160	200	200	200	-	0.00%	
000-2120-564300	Periodicals	-	-	-	-	-	#DIV/0!	
000-2120-581000	Dues / Fees / Conferences	290	600	600	300	(300)	-50.00%	
	Total Guidance	85,319	87,510	87,510	90,036	2,526	2.89%	

SOUTHWEST HARBOR SCHOOL DEPARTMENT

		15-16	16-17	16-17	17-18			
		Actual	Current	Anticipated	Proposed	\$	%	
Student & Staff Support		Expend.	Budget	Expend.	Budget	Difference	Difference	Explanation
	Health Services							Estimate
0000-2130-534000	Prof. Svcs.: Nurse Contract	58,389	60,150	60,150	62,556	2,406	4.00%	contractual agreement w/hospital
0000-2130-543000	Contr. Svcs.: Equip. Repair	80	150	125	150	-	0.00%	
0000-2130-560000	Supplies	1,325	1,100	1,200	1,200	100	9.09%	
0000-2130-564000	Books	148	-	-	-	-	#DIV/0!	
0000-2130-564300	Periodicals	-	-	-	-	-	#DIV/0!	
0000-2130-573000	Replace/Purch. Equipment	5	200	200	200	-	0.00%	
0000-2130-581000	Dues / Fees / Conferences	164	325	325	325	-	0.00%	includes travel
	Total Health Services	60,110	61,925	62,000	64,431	2,506	4.05%	
	Improvement of Instruction							
0000-2200-530000	Assess.: Curric. & Techn.	35,182	46,869	46,869	48,412	1,543	3.29%	
0000-2210-510100	Instructional Grants	3,010	3,000	3,000	3,000	-	0.00%	Summer work for AOS
0000-2210-515000	Stipends - Cert Com/Mentor	480	3,000	3,000	3,000	-	0.00%	
0000-2210-520000	Benefits: Stipends	24	145	145	150	5	3.45%	
0000-2210-520100	Benefits: Teachers	157	145	145	150	5	3.45%	
0000-2210-533001	AOS Workshops/Speakers	98	-	-	-	-	#DIV/0!	
0000-2210-533003	Local W.S./Speakers	481	500	500	500	-	0.00%	Used for books, after schl work & leadership
0000-2210-533002	Reading Recovery Cont. Hr	2,000	2,000	2,000	2,000	-	0.00%	
0000-2210-561000	Supplies/Books/Period	-	-	-	-	-	#DIV/0!	
0000-2212-533000	Curriculum Work	994	1,000	1,050	1,800	800	80.00%	\$12/student
0000-2212-533001	NWEA	1,848	-	-	-	-	#DIV/0!	Moved to Technology Section
	Total Improve. Of Instruction	44,274	56,659	56,709	59,012	2,353	4.15%	
	Library & Audio Visual							
0000-2220-510100	Salaries: Librarian	8,833	22,882	22,850	23,683	801	3.50%	50% Librarian
0000-2220-520100	Medicare/ Retirement	374	1,100	1,100	1,185	85	7.73%	
0000-2220-521100	Blue Cross / Blue Shield	-	9,705	1,000	1,000	(8,705)	-88.70%	10% Rate Incr./82% Employer Share
0000-2220-530000	Prof Svcs:Libr Svcs/Superv	15,200	1,000	1,000	1,000	-	0.00%	
0000-2220-561000	Supplies	379	650	600	650	-	0.00%	
0000-2220-561100	Computer Supplies	-	-	-	-	-	#DIV/0!	
0000-2220-564000	Books	3,982	3,500	3,500	3,500	-	0.00%	
0000-2220-564300	Periodicals	-	500	500	500	-	0.00%	
0000-2220-566000	AV Material/Software	-	-	-	-	-	#DIV/0!	
0000-2220-573000	Replace/Purchase Equipme	-	-	-	-	-	#DIV/0!	
0000-2220-581000	Dues / Fees / Conferences	10	-	-	300	300	#DIV/0!	
	Total Library & AV	28,777	39,337	30,550	31,818	(7,519)	-19.11%	

SOUTHWEST HARBOR SCHOOL DEPARTMENT

SOUTHWEST HARBOR SCHOOL DEPARTMENT								
		15-16	16-17	16-17	17-18			
		Actual	Current	Anticipated	Proposed	\$	%	
Student & Staff Support		Expend.	Budget	Expend.	Budget	Difference	Difference	Explanation
	Technology							
0000-2230-510100	Technology Integrator	47,193	48,389	48,389	49,994	1,605	3.32%	
0000-2230-510101	Techn Integr (Addtl Days)	-	3,365	3,365	3,478	113	3.36%	Addtl Hours (96)
0000-2230-510600	Technology Coordinator	6,715	-	-	-	-	#DIV/0!	Now FT @ AOS Central Office
0000-2230-520100	Benefits: Tech. Integrator	2,257	2,328	2,328	2,500	172	7.39%	
0000-2230-520101	Benefits: Tech. Integr(Addt	-	162	162	174	12	7.41%	
0000-2230-520600	Benefits: Tech. Coord.	514	-	-	-	-	#DIV/0!	
0000-2230-521100	BC/BS: Tech. Integrator	7,080	7,076	7,076	7,784	708	10.01%	10% Rate Incr./82% Employer Share
0000-2230-521600	BC/BS: Tech. Coord.	1,938	-	-	-	-	#DIV/0!	
0000-2230-543200	Repair & Maint.	128	3,000	3,000	3,000	-	0.00%	To Self-Insure Laptops
0000-2230-558000	Staff Travel	-	250	250	250	-	0.00%	
0000-2230-560000	Supplies	606	900	900	900	-	0.00%	cartridges/bulbs etc.
0000-2230-565000	Software	3,920	4,000	4,000	6,000	2,000	50.00%	
0000-2230-565002	Software/Site Lic - AOS 91	5,484	17,909	12,000	12,000	(5,909)	-32.99%	AOS Software Sharing
0000-2230-573400	Equipment - Incl MLTI Leas	19,857	10,500	15,000	18,000	7,500	71.43%	
0000-2230-581000	Dues, Fees, Conf., Travel	139	300	300	300	-	0.00%	
	Total Technology	95,831	98,179	96,770	104,380	6,201	6.32%	
	Article 8	Student & Staff Support			\$ 349,677			
System Administration								
	Office of Superintendent							
0000-2320-533200	Assessment: Administration	49,682	50,890	50,890	56,721	5,831	11.46%	AOS Formula/ SWH's % = 10.45%
	Total Office of Supt.	49,682	50,890	50,890	56,721	5,831	11.46%	
Note: Total Office of Superintendent Assessment for SWH = \$ 126,758								
System Administration								
	School Committee							
0000-2310-515000	Salaries: School Committee	2,500	2,500	2,500	2,500	-	0.00%	\$500 each board member
0000-2310-520000	Soc. Sec. / Medicare	115	192	192	192	-	0.00%	
0000-2310-534000	Prof. Svcs.: Legal & Audit	7,725	8,000	8,000	8,000	-	0.00%	
0000-2310-581000	Dues / Fees / Conferences	574	750	857	900	150	20.00%	
	Total School Committee	10,913	11,442	11,549	11,592	150	1.31%	
	Article 9	System Administration			\$ 68,313			

SOUTHWEST HARBOR SCHOOL DEPARTMENT

[illegible]

SOUTHWEST HARBOR SCHOOL DEPARTMENT

		15-16	16-17	16-17	17-18			
		Actual	Current	Anticipated	Proposed	\$	%	
Facilities Maintenance		Expend.	Budget	Expend.	Budget	Difference	Difference	Explanation
Operation & Maint. Of Plant								
1000-2600-511800	Salaries: Custodians	168,915	129,746	134,385	126,969	(2,777)	-2.14%	Change in Personnel
1000-2600-520800	Soc. Sec./ Medicare	12,581	9,926	10,281	9,714	(212)	-2.14%	
1000-2600-521800	Blue Cross / Blue Shield	35,544	42,767	24,388	26,330	(16,437)	-38.43%	10% Rate Incr./82% Employer Share
1000-2600-541000	Utility Svcs.: Sewer / Water	2,521	7,000	4,000	6,000	(1,000)	-14.29%	
1000-2600-552100	Insurance: Build/Equip/Com	10,441	11,000	10,334	11,000	-	0.00%	Building/Liability
1000-2600-553200	Telephone	16,326	8,500	6,500	7,000	500	7.69%	
1000-2600-560000	Supplies	6,550	10,000	10,000	10,000	-	0.00%	Cleaning & Paper Supplies
1000-2600-562200	Electricity	33,806	39,000	36,500	38,500	(500)	-1.28%	Bangor Hydro
1000-2600-562300	L.P. Gas - Cafeteria	-	1,500	1,500	1,500	-	0.00%	Hot Water bill
1000-2600-562400	Heating Oil	35,450	21,670	21,670	30,000	8,330	38.44%	14,000 g @ \$2 plus overage gal
1000-2600-573000	Replace/Purchase Equipme	4,071	7,000	7,000	7,000	-	0.00%	Carpet Machine
1000-2600-581000	Dues / Fees / Conferences	70	325	300	325	-	0.00%	
1000-2630-543001	Rubbish Removal	2,054	2,200	2,500	2,600	400	18.18%	Addtl Dumpster - Recycles
1000-2620-543000	Contr. Svcs. : Building	25,639	27,000	27,000	27,000	-	0.00%	Heating/Air Mechan. Svcs, Inspect., etc
1000-2630-543000	Contr. Svcs. : Grounds	634	2,500	2,500	2,500	-	0.00%	Hodgdon Lawn \$1,800 Scalls spraying \$650
1000-2640-543000	Contr. Svcs.: Equip. Repair	5,724	5,000	5,000	5,000	-	0.00%	Electric,Plumb., Elevator,WtrFilter
	Total Oper. & Maint.	360,326	323,134	303,858	311,438	(11,698)	-3.62%	
Capital Outlay								
1000-2690-545002	Land & Improvements	-	2,000	2,000	17,000	15,000	750.00%	Playgr. Maint. / Fence
1000-2690-545001	Buildings	18,506	50,000	50,000	50,000	-	0.00%	Windows on west side /Corridor Lights
1000-2600-591000	Transfer to Maint. Reserve	3,750	3,750	3,750	3,750	-	0.00%	Transfer to Reserve - Now @ \$36K
1000-2690-545003	Equipment	-	-	-	-	-	#DIV/0!	
	Total Capital Outlay	22,256	55,750	55,750	70,750	15,000	26.91%	
Article 12 Facilities Maintenance					\$ 382,188			

SOUTHWEST HARBOR SCHOOL DEPARTMENT

		15-16	16-17	16-17	17-18			
		Actual	Current	Anticipated	Proposed	\$	%	
Debt Service		Expend.	Budget	Expend.	Budget	Difference	Difference	Explanation
	Debt Service							
0000-5100-583100	Debt Service: Interest	81,607	57,548	57,548	-	(57,548)	-100.00%	Debt Retires 11/2020 - No Int Due
0000-5100-591000	Debt Service: Principal	261,050	261,050	261,050	261,050	-	0.00%	Payment #17 of 20 (Principal)
	<i>Total Debt Service</i>	342,657	318,598	318,598	261,050	(57,548)	-18.06%	
	Article 13	Debt Service & Other Commitments			\$ 261,050			
All Other Expenc	Food Services							
0000-3100-591000	Food Services Transfer	70,000	75,000	75,000	75,000	-	0.00%	6/30/16 Fund Balance = \$ -22,779
	<i>Total Food Services</i>	70,000	75,000	75,000	75,000	-	0.00%	
	Article 14	All Other Expenditures			\$ 75,000			
	Grand Totals:	3,257,877	3,465,582	3,465,582	3,568,560	102,978	2.97%	
		Total Budget Increase w/o Debt Service =				160,526	5.10%	
	Article 18	Total Expenditures (Summary Article)			\$ 3,568,560			
		Proj Balance						
		6/30/2017						
	Reserves:							
	Maintenance	\$ 36,796						
	Bus	\$ 4,600						
	Special Education	\$ 95,000						



Proven Expertise and Integrity

March 7, 2017

Board of Selectmen
Town of Southwest Harbor
Southwest Harbor, Maine

We were engaged by the Town of Southwest Harbor, Maine and have audited the financial statements of the Town of Southwest Harbor, Maine as of and for the twelve months ended June 30, 2016. The statements and schedules that follow have been excerpted from the 2016 financial statements, a complete copy of which, including our opinion thereon, is available for inspection at the Town Office.

RHR Smith & Company

RHR Smith and Company, CPAs
Buxton, Maine



Proven Expertise and Integrity

INDEPENDENT AUDITORS' REPORT

Board of Selectmen
Town of Southwest Harbor
Southwest Harbor, Maine

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Town of Southwest Harbor, Maine, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Town of Southwest Harbor, Maine's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates

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made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Town of Southwest Harbor, Maine, as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and pension information on pages 4 through 12 and 58 through 60 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Southwest Harbor, Maine's basic financial statements. The Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Special Revenue Funds, the Schedule of Departmental Operations – General Fund and capital asset schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 20-A MRSA §6051,

Sub-chapter 1(K) of the Maine Revised Statutes as amended, and is also not a required part of the basic financial statements.

The Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Special Revenue Funds, the Schedule of Departmental Operations – General Fund, capital asset schedules and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Special Revenue Funds, the Schedule of Departmental Operations – General Fund, capital asset schedules and the Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 7, 2017, on our consideration of the Town of Southwest Harbor, Maine's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Southwest Harbor, Maine's internal control over financial reporting and compliance.

RHR Smith & Company

Buxton, Maine
March 7, 2017

**REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2016**

(UNAUDITED)

The following management's discussion and analysis of Town of Southwest Harbor, Maine's financial performance provides an overview of the Town's financial activities for the fiscal year ended June 30, 2016. Please read it in conjunction with the Town's financial statements.

Financial Statement Overview

The Town of Southwest Harbor's basic financial statements include the following components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also includes required supplementary information which consists of the general fund budgetary comparison schedule and pension information, and other supplementary information which includes combining and other schedules.

Basic Financial Statements

The basic financial statements include financial information in two differing views: the government-wide financial statements and the fund financial statements. These basic financial statements also include the notes to financial statements that explain in more detail certain information in the financial statements and also provide the user with the accounting policies used in the preparation of the financial statements.

Government-Wide Financial Statements

The government-wide financial statements provide a broad view of the Town's operations in a manner that is similar to private businesses. These statements provide both short-term as well as long-term information in regards to the Town's financial position. These financial statements are prepared using the accrual basis of accounting. This measurement focus takes into account all revenues and expenses associated with the fiscal year regardless of when cash is received or paid. The government-wide financial statements include the following two statements:

The Statement of Net Position – this statement presents *all* of the government's assets, deferred outflows of resources, liabilities and deferred inflows of resources with the difference being reported as net position.

The Statement of Activities – this statement presents information that shows how the government's net position changed during the period. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows.

Both of the above mentioned financial statements have separate columns for the two different types of Town activities. The types of activities presented for the Town of Southwest Harbor are:

- *Governmental activities* – The activities in this section are mostly supported by taxes and intergovernmental revenues (federal and state grants). Most of the Town's basic services are reported in governmental activities, which include general government, protection, public works, social services, health and sanitation and education.
- *Business-type activities* – These activities are normally intended to recover all or a significant portion of their costs through user fees and/or charges to external users for goods and/or services. These activities for the Town of Southwest Harbor include the water fund and sewer fund.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Southwest Harbor, like other local governments uses fund accounting to ensure and demonstrate compliance with financial related legal requirements. All of the funds of the Town of Southwest Harbor can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds: Most of the basic services provided by the Town are financed through governmental funds. Governmental funds are used to account for essentially the same functions reported in governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, the governmental fund financial statements focus on near-term inflows and outflows of spendable resources. They also focus on the balance of spendable resources available at the end of the fiscal year. Such information will be useful in evaluating the government's near-term financing requirements. This approach is known as the current financial resources measurement focus and the modified accrual basis of accounting. Under this approach, revenues are recorded when cash is received or when susceptible to accrual. Expenditures are recorded when liabilities are incurred and due. These statements provide a detailed short-term view of the Town's finances to assist in determining whether there will be adequate financial resources available to meet the current needs of the Town.

Because the focus of governmental funds is narrower than that of government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this

comparison between governmental funds and governmental activities. These reconciliations are presented on the page immediately following each governmental fund financial statement.

The Town of Southwest Harbor presents four columns in the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances. The Town's major governmental funds are the general fund, capital projects fund, and cemetery trust fund. All other funds are shown as nonmajor and are combined in the "Special Revenue Funds" column on these statements.

The general fund is the only fund for which the Town legally adopted a budget. The Budgetary Comparison Schedule – Budgetary Basis – Budget and Actual – General Fund provides a comparison of the original and final budget and the actual expenditures for the current year.

Proprietary Funds: The Town of Southwest Harbor maintains two proprietary funds, the water fund and sewer fund. These funds are used to show activities that operate more like those of commercial enterprises. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. Like the government-wide financial statements, proprietary fund financial statements use the accrual basis of accounting. No reconciliation is needed between the government-wide financial statements for business-type activities and the proprietary fund financial statements.

Fiduciary Funds: These funds are used to account for resources held for the benefit of parties outside the Town of Southwest Harbor. These funds are not reflected in the government-wide financial statements because the resources of these funds are not available to support the Town's own programs. The accounting used for fiduciary funds are much like that of proprietary funds. They use the accrual basis of accounting.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the Government-Wide and the Fund Financial Statements. The Notes to Financial Statements can be found following the Statement of Changes in Fiduciary Net Position - Fiduciary Funds.

Required Supplementary Information

The basic financial statements are followed by a section of required supplementary information, which includes a Budgetary Comparison Schedule – Budgetary Basis – Budget and Actual – General Fund, a Schedule of Proportionate Share of the Net Pension Liability and a Schedule of Contributions.

Other Supplementary Information

Other supplementary information follows the required supplementary information. These combining and other schedules provide information in regards to nonmajor funds, capital asset activity and other detailed budgetary information for the general fund.

Government-Wide Financial Analysis

Our analysis below focuses on the net position, and changes in net position of the Town's governmental activities and business-type activities. The Town's total governmental net position decreased by \$445,471 from \$16,240,587 to \$15,795,116. The Town's total business-type net position decreased by \$3,912,199 from \$3,912,199 to \$0. Effective January 1, 2016, the Southwest Harbor Water and Sewer Departments formed the Southwest Harbor Public Utilities District and their operations are no longer a part of the Town of Southwest Harbor.

Unrestricted net position - the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements - increased for governmental activities to a balance of \$4,016,699 at the end of this year. Unrestricted net position for business-type activities decreased to a balance of \$0.

Table 1
Town of Southwest Harbor, Maine
Net Position
June 30,

	Governmental Activities		Business-type Activities	
	2016	2015 (Restated)	2016	2015 (Restated)
Assets				
Current Assets	\$ 5,026,317	\$ 5,388,530	\$ -	\$ 302,890
Capital Assets	14,975,174	16,604,510	4,365,144	8,080,872
Total Assets	<u>20,001,491</u>	<u>21,993,040</u>	<u>4,365,144</u>	<u>8,383,762</u>
Deferred Outflows of Resources				
Unamortized Bond Issue Cost	-	-	-	9,597
Deferred Engineering Studies	-	-	-	3,387
Acquisition Adjustment - Net	-	-	-	185,487
Deferred Outflows Related to Pensions	67,362	67,727	-	-
Total Deferred Outflows of Resources	<u>67,362</u>	<u>67,727</u>	<u>-</u>	<u>198,471</u>
Liabilities				
Current Liabilities	912,239	1,979,611	278,968	1,048,553
Long-term Debt Outstanding	3,323,231	3,792,557	4,086,176	3,621,481
Total Liabilities	<u>4,235,470</u>	<u>5,772,168</u>	<u>4,365,144</u>	<u>4,670,034</u>
Deferred Inflows of Resources				
Prepaid Taxes	18,081	22,364	-	-
Deferred Inflows Related to Pensions	20,186	25,648	-	-
Total Deferred Inflows of Resources	<u>38,267</u>	<u>48,012</u>	<u>-</u>	<u>-</u>
Net Position				
Net Investment in Capital Assets	11,240,479	12,403,584	-	3,410,072
Restricted	537,938	859,709	-	-
Unrestricted (Deficit)	4,016,699	2,977,294	-	502,127
Total Net Position	<u>\$ 15,795,116</u>	<u>\$ 16,240,587</u>	<u>\$ -</u>	<u>\$ 3,912,199</u>

Table 2
Town of Southwest Harbor, Maine
Change in Net Position
For the Years Ended June 30,

	Governmental Activities		Business-type Activities	
	2016	2015	2016	2015
Revenues				
<i>Program Revenues:</i>				
Charges for Services	\$ 246,333	\$ 239,950	\$ 696,218	\$ 1,149,679
Operating Grants and Contributions	455,797	609,252	-	-
Capital Grants and Contributions	-	333,334	10,680	627,502
<i>General Revenues:</i>				
Taxes	7,486,737	7,389,832	-	-
Grants and Contributions Not Restricted to Specific Programs	87,207	113,364	-	-
Miscellaneous	347,498	95,702	27,421	11,653
Total Revenues	<u>8,623,572</u>	<u>8,781,434</u>	<u>734,319</u>	<u>1,788,834</u>
Expenses				
General Government	682,371	300,714	-	-
Protection	1,117,538	1,127,472	-	-
Health & Sanitation	503,210	426,246	-	-
Public Works	1,214,398	197,701	-	-
Education	4,432,329	4,506,313	-	-
County Tax	244,901	237,208	-	-
Social Services	201,164	203,564	-	-
Unclassified	348,456	202	-	-
State of Maine On-behalf Payments	179,027	194,113	-	-
Interest on Long-term Debt	83,842	111,908	-	-
Debt Service Assessments	-	74,148	-	-
Water Fund	-	-	479,116	593,660
Sewer Fund	-	-	405,638	596,457
Total Expenses	<u>9,007,236</u>	<u>7,379,589</u>	<u>884,754</u>	<u>1,190,117</u>
Transfers	<u>(61,807)</u>	<u>-</u>	<u>61,807</u>	<u>81,398</u>
Transfer of assets to Southwest Harbor Public Utilities District	<u>-</u>	<u>-</u>	<u>(3,823,571)</u>	<u>-</u>
Change in Net Position	(445,471)	1,401,845	(3,912,199)	680,115
Net Position - July 1, Restated	<u>16,240,587</u>	<u>14,838,742</u>	<u>3,912,199</u>	<u>3,232,084</u>
Net Position - June 30	<u>\$ 15,795,116</u>	<u>\$ 16,240,587</u>	<u>\$ -</u>	<u>\$ 3,912,199</u>

Revenues and Expenses

Revenues for the Town's governmental activities decreased by 1.80%, while total expenses increased by 22.06%. The main decrease in revenues was in capital grants and contributions and the largest increase in expenses was in public works.

Proprietary fund revenues and expenses are only presented for six months due to the formation of the Southwest Harbor Public Utilities District effective January 1, 2016.

Financial Analysis of the Town's Fund Statements

Governmental funds: The financial reporting focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information may be useful in assessing the Town's financial requirements. In particular, unassigned fund balance may serve as a useful measure of a government's financial position at the end of the year, and the net resources available for spending.

Table 3
Town of Southwest Harbor, Maine
Fund Balances - Governmental Funds
June 30,

	<u>2016</u>	<u>2015</u>
Major funds:		
General fund:		
Nonspendable	\$ 619,862	\$ 606,562
Restricted	82,299	82,299
Assigned	6,000	-
Unassigned	<u>1,908,855</u>	<u>1,890,372</u>
Subtotal general fund	<u>2,617,016</u>	<u>2,579,233</u>
Capital projects fund:		
Restricted	-	129,429
Permanent fund - cemetery trust:		
Restricted	<u>108,149</u>	<u>106,518</u>
Total major funds	<u><u>\$ 2,725,165</u></u>	<u><u>\$ 2,815,180</u></u>
Nonmajor funds:		
Special revenue funds:		
Restricted	\$ 347,490	\$ 541,463
Committed	1,449,465	1,512,707
Unassigned	<u>(67,133)</u>	<u>(6,054)</u>
Total nonmajor funds	<u><u>\$ 1,729,822</u></u>	<u><u>\$ 2,048,116</u></u>

The general fund total fund balance increased by \$37,783 from the prior fiscal year. The other major fund balances decreased by \$127,798 from the prior fiscal year. The nonmajor fund balances decreased by \$318,294 from the prior fiscal year.

Proprietary funds: The Town's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Budgetary Highlights

There were no significant differences between the original and final budget for the general fund.

The general fund actual revenues exceeded the budget by \$69,388. This was mainly the result of excise taxes, education, and transfers from other funds revenue categories being receipted in excess of the budgeted amounts.

The general fund actual expenditures were over the budget by \$38,932. All expenditure categories were under budget with the exception of general government and education.

Capital Asset and Debt Administration

Capital Assets

As of June 30, 2016, the net book value of capital assets recorded by the Town decreased by \$8,615,117. This decrease was the result of current year additions of \$149,898, less current year depreciation of \$905,173, less net disposals of \$26,747, and the transfer of water and sewer assets to the Southwest Harbor Public Utilities District of \$7,833,095. Refer to Note 6 of Notes to Financial Statements for more detailed information.

Table 4
Town of Southwest Harbor, Maine
Capital Assets (Net of Depreciation)
June 30,

	<u>2016</u>	<u>2015 (Restated)</u>
Land and improvements	\$ 570,964	\$ 647,720
Buildings and building improvements	4,218,268	4,397,393
Machinery and equipment	525,121	595,337
Vehicles	847,881	825,538
Construction in progress	2,569,448	2,569,448
Infrastructure	<u>6,243,492</u>	<u>14,554,855</u>
Total	<u>\$ 14,975,174</u>	<u>\$ 23,590,291</u>

Long-Term Debt Activity

At June 30, 2016, the Town had \$8,086,721 in bonds outstanding versus \$8,034,122 last year. Other obligations include capital leases payable, accrued vacation and sick time, and net pension liability. Refer to Note 7 of Notes to Financial Statements for more detailed information.

Economic Factors and Next Year's Budgets and Rates

The Town currently maintains a sufficient unassigned fund balance to sustain government operations for a period of approximately two months, while also maintaining reserve accounts for future capital and program needs.

Contacting the Town's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Town Manager or Finance Director at P.O. Box 745, Southwest Harbor, Maine 04679.

TOWN OF SOUTHWEST HARBOR, MAINE

STATEMENT OF NET POSITION
JUNE 30, 2016

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 4,036,851	\$ -	\$ 4,036,851
Investments	107,076	-	107,076
Accounts receivable (net of allowance for uncollectibles):			
Taxes	2,950	-	2,950
Liens	151,231	-	151,231
Other	14,438	-	14,438
Inventory	13,334	-	13,334
Tax acquired property	50,242	-	50,242
Due from other governments	650,195	-	650,195
Total current assets	5,026,317	-	5,026,317
Noncurrent assets:			
Receivable for long-term debt obligation from Southwest Harbor Public Utilities District	-	4,365,144	4,365,144
Capital assets:			
Land and other assets not being depreciated	1,935,521	-	1,935,521
Depreciable assets, net of accumulated depreciation	13,039,653	-	13,039,653
Total noncurrent assets	14,975,174	4,365,144	19,340,318
TOTAL ASSETS	20,001,491	4,365,144	24,366,635
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	67,362	-	67,362
TOTAL DEFERRED OUTFLOWS OF RESOURCES	67,362	-	67,362
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 20,068,853	\$ 4,365,144	\$ 24,433,997
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 201,788	\$ -	\$ 201,788
Accrued payroll and benefits	181,545	-	181,545
Other liabilities	224	-	224
Current portion of long-term obligations	528,682	278,968	807,650
Total current liabilities	912,239	278,968	1,191,207
Noncurrent liabilities:			
Noncurrent portion of long-term obligations:			
Bonds payable	3,263,515	4,086,176	7,349,691
Capital leases payable	9,879	-	9,879
Net pension liability	49,837	-	49,837
Total noncurrent liabilities	3,323,231	4,086,176	7,409,407
TOTAL LIABILITIES	4,235,470	4,365,144	8,600,614
DEFERRED INFLOWS OF RESOURCES			
Prepaid taxes	18,081	-	18,081
Deferred inflows related to pensions	20,186	-	20,186
TOTAL DEFERRED INFLOWS OF RESOURCES	38,267	-	38,267
NET POSITION			
Net investment in capital assets	11,240,479	-	11,240,479
Restricted	537,938	-	537,938
Unrestricted (deficit)	4,016,699	-	4,016,699
TOTAL NET POSITION	15,795,116	-	15,795,116
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 20,068,853	\$ 4,365,144	\$ 24,433,997

See accompanying independent auditors' report and notes to financial statements.

TOWN OF SOUTHWEST HARBOR, MAINE

STATEMENT B

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
Functions/Programs	Expenses	Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Business- type		Total
					Governmental Activities	Activities	
Governmental activities:							
General government	\$ 682,371	\$ 107,075	\$ -	\$ -	\$ (575,296)	\$ -	\$ (575,296)
Protection	1,117,538	-	-	-	(1,117,538)	-	(1,117,538)
Health & sanitation	503,210	29,711	-	-	(473,499)	-	(473,499)
Public works	1,214,398	83,772	17,660	-	(1,112,966)	-	(1,112,966)
Education	4,432,329	25,775	259,110	-	(4,147,444)	-	(4,147,444)
County tax	244,901	-	-	-	(244,901)	-	(244,901)
Social services	201,164	-	-	-	(201,164)	-	(201,164)
Unclassified	348,456	-	-	-	(348,456)	-	(348,456)
State of Maine on-behalf payments	179,027	-	179,027	-	-	-	-
Interest on long-term debt	83,842	-	-	-	(83,842)	-	(83,842)
Total governmental activities	9,007,236	246,333	455,797	-	(8,305,106)	-	(8,305,106)
Business-type activities:							
Water fund	479,116	377,959	-	10,680	-	(90,477)	(90,477)
Sewer fund	405,638	318,259	-	-	-	(87,379)	(87,379)
Total business-type activities	884,754	696,218	-	10,680	-	(177,856)	(177,856)
Total government	\$ 9,891,990	\$ 942,551	\$ 455,797	\$ 10,680	(8,305,106)	(177,856)	(8,482,962)

STATEMENT B (CONTINUED)
TOWN OF SOUTHWEST HARBOR, MAINE

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016

	Governmental Activities	Business-type Activities	Total
Changes in net position:			
Net (expense) revenue	(8,305,106)	(177,856)	(8,482,962)
General revenues:			
Taxes:			
Property taxes, levied for general purposes	7,059,191	-	7,059,191
Excise taxes	427,546	-	427,546
Grants and contributions			
not restricted to specific programs	87,207	-	87,207
Miscellaneous	347,498	27,421	374,919
Transfers	(61,807)	61,807	-
Total general revenues and transfers	7,859,635	89,228	7,948,863
Transfer of assets to Southwest Harbor Public Utilities District	-	(3,823,571)	(3,823,571)
Change in net position	(445,471)	(3,912,199)	(534,099)
NET POSITION - JULY 1, RESTATED	16,240,587	3,912,199	20,152,786
NET POSITION - JUNE 30	\$ 15,795,116	\$ -	19,618,687

See accompanying independent auditors' report and notes to financial statements.

STATEMENT C

TOWN OF SOUTHWEST HARBOR, MAINE

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2016

	General Fund	Special Revenue Funds	Capital Projects Fund	Permanent Fund - Cemetery Trust	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 3,590,786	\$ 444,992	\$ -	\$ 1,073	\$ 4,036,851
Investments	-	-	-	107,076	107,076
Accounts receivables (net of allowance for uncollectibles):					
Taxes	2,950	-	-	-	2,950
Liens	151,231	-	-	-	151,231
Other	14,438	-	-	-	14,438
Inventory	13,334	-	-	-	13,334
Tax acquired property	50,242	-	-	-	50,242
Due from other governments	650,195	-	-	-	650,195
Due from other funds	-	1,284,830	-	-	1,284,830
TOTAL ASSETS	\$ 4,473,176	\$ 1,729,822	\$ -	\$ 108,149	\$ 6,311,147
LIABILITIES					
Accounts payable	\$ 201,788	\$ -	\$ -	\$ -	\$ 201,788
Accrued payroll	181,545	-	-	-	181,545
Other liabilities	224	-	-	-	224
Due to other funds	1,284,830	-	-	-	1,284,830
TOTAL LIABILITIES	1,668,387	-	-	-	1,668,387
DEFERRED INFLOWS OF RESOURCES					
Prepaid taxes	18,081	-	-	-	18,081
Deferred tax revenue	169,692	-	-	-	169,692
TOTAL DEFERRED INFLOWS OF RESOURCES	187,773	-	-	-	187,773
FUND BALANCES					
Nonspendable	619,862	-	-	-	619,862
Restricted	82,299	347,490	-	108,149	537,938
Committed	-	1,449,465	-	-	1,449,465
Assigned	6,000	-	-	-	6,000
Unassigned	1,908,855	(67,133)	-	-	1,841,722
TOTAL FUND BALANCES	2,617,016	1,729,822	-	108,149	4,454,987
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 4,473,176	\$ 1,729,822	\$ -	\$ 108,149	\$ 6,311,147

See accompanying independent auditors' report and notes to financial statements.

STATEMENT D

TOWN OF SOUTHWEST HARBOR, MAINE

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2016

	Total Governmental Funds
Total Fund Balances	\$ 4,454,987
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds, net of accumulated depreciation	14,975,174
Deferred outflows of resources related to pensions are not financial resources and therefore are not reported in the funds	67,362
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds shown above:	
Taxes and liens receivable	169,692
Long-term liabilities shown below, are not due and payable in the current period and therefore are not reported in the funds shown above:	
Capital leases payable	(13,118)
Bonds payable	(3,721,577)
Accrued compensated absences	(60,554)
Net pension liability	(56,664)
Deferred inflows of resources related to pensions are not financial resources and therefore are not reported in the funds	(20,186)
Net position of governmental activities	<u>\$ 15,795,116</u>

See accompanying independent auditors' report and notes to financial statements.

STATEMENT E

TOWN OF SOUTHWEST HARBOR, MAINE

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	General Fund	Special Revenue Funds	Capital Projects Fund	Permanent Fund - Cemetery Trust	Total Governmental Funds
REVENUES					
Taxes:					
Property Taxes	\$ 7,022,005	\$ -	\$ -	\$ -	\$ 7,022,005
Excise Taxes	427,546	-	-	-	427,546
Intergovernmental Revenues	477,055	-	-	-	477,055
Interest Revenues	16,644	6,475	-	3,528	26,647
Charges for Services	246,333	-	-	-	246,333
Miscellaneous Revenues	231,483	85,868	-	3,500	320,851
TOTAL REVENUES	8,421,066	92,343	-	7,028	8,520,437
EXPENDITURES					
Current:					
General Government	369,958	307,036	-	-	676,994
Protection	965,982	97,776	-	-	1,063,758
Health & Sanitation	355,180	148,030	-	-	503,210
Public Works	391,141	553,832	-	-	944,973
Education	4,527,836	-	-	-	4,527,836
County Tax	244,901	-	-	-	244,901
Social Services	201,164	-	-	-	201,164
Unclassified	209,909	-	95,340	5,397	310,646
State of Maine On-behalf Payments	113,078	-	-	-	113,078
Debt Service:					
Principal	196,537	-	-	-	196,537
Interest	83,842	-	-	-	83,842
TOTAL EXPENDITURES	7,659,528	1,106,674	95,340	5,397	8,866,939
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	761,538	(1,014,331)	(95,340)	1,631	(346,502)
OTHER FINANCING SOURCES (USES)					
Transfers In	67,089	710,985	-	-	778,074
Transfers (Out)	(790,844)	(14,948)	(34,089)	-	(839,881)
TOTAL OTHER FINANCING SOURCES (USES)	(723,755)	696,037	(34,089)	-	(61,807)
NET CHANGE IN FUND BALANCES	37,783	(318,294)	(129,429)	1,631	(408,309)
FUND BALANCES - JULY 1	2,579,233	2,048,116	129,429	106,518	4,863,296
FUND BALANCES - JUNE 30	\$ 2,617,016	\$ 1,729,822	\$ -	\$ 108,149	\$ 4,454,987

See accompanying independent auditors' report and notes to financial statements.

STATEMENT F

TOWN OF SOUTHWEST HARBOR, MAINE

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016

Net change in fund balances - total governmental funds (Statement E)	\$ (408,309)
Amounts reported for governmental activities in the Statement of Activities (Statement B) are different because:	
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense allocated to those expenditures over the life of the assets:	
Capital asset purchases	129,218
Depreciation expense	(663,463)
	<u>(534,245)</u>
Deferred outflows of resources are a consumption of net position by the government that are applicable to a future reporting period and therefore are not reported in the funds	<u>(365)</u>
Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position	<u>466,231</u>
Deferred inflows of resources are an acquisition of net position by the government that are applicable to a future reporting period and therefore are not reported in the funds	<u>5,462</u>
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:	
Accrued compensated absences	(3,090)
Net pension liability	(8,341)
	<u>(11,431)</u>
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:	
Taxes and liens receivable	<u>37,186</u>
Change in net position of governmental activities (Statement B)	<u>\$ (445,471)</u>

See accompanying independent auditors' report and notes to financial statements.

STATEMENT G

TOWN OF SOUTHWEST HARBOR, MAINE

BALANCE SHEET - PROPRIETARY FUNDS

JUNE 30, 2016

	Enterprise Funds		Total Enterprise Funds
	Water Fund	Sewer Fund	
ASSETS			
Current assets:			
Cash and cash equivalents	\$ -	\$ -	\$ -
Due from other funds	-	-	-
Total current assets	-	-	-
Noncurrent assets:			
Receivable for long-term debt obligation from Southwest Harbor Public Utilities District	2,720,998	1,644,146	4,365,144
Total noncurrent assets	2,720,998	1,644,146	4,365,144
TOTAL ASSETS	\$ 2,720,998	\$ 1,644,146	\$ 4,365,144
LIABILITIES			
Current liabilities:			
Due to other funds	\$ -	\$ -	\$ -
Current portion of long-term obligations	188,100	90,868	278,968
Total current liabilities	188,100	90,868	278,968
Noncurrent liabilities:			
Noncurrent portion of long-term obligations:			
Bonds payable	2,532,898	1,553,278	4,086,176
Total noncurrent liabilities	2,532,898	1,553,278	4,086,176
TOTAL LIABILITIES	2,720,998	1,644,146	4,365,144
NET POSITION			
Net investment in capital assets	-	-	-
Restricted	-	-	-
Unrestricted	-	-	-
TOTAL NET POSITION	-	-	-
TOTAL LIABILITIES AND NET POSITION	\$ 2,720,998	\$ 1,644,146	\$ 4,365,144

See accompanying independent auditors' report and notes to financial statements.

STATEMENT H

TOWN OF SOUTHWEST HARBOR, MAINE

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2016

	Enterprise Funds		Total Enterprise Funds
	Water Fund	Sewer Fund	
OPERATING REVENUES			
Charges for services	\$ 377,959	\$ 318,259	\$ 696,218
Other	19,379	7,968	27,347
TOTAL OPERATING REVENUES	397,338	326,227	723,565
OPERATING EXPENSES			
Salaries and benefits	118,449	110,543	228,992
Utilities	40,807	19,809	60,616
Chemicals	7,059	1,349	8,408
Materials and supplies	10,180	3,615	13,795
Contractual services	18,746	12,818	31,564
Vehicles, equipment, repairs and maintenance	38,250	23,971	62,221
Insurance	8,919	10,109	19,028
Wastewater disposal	-	81,901	81,901
Depreciation and amortization	171,925	80,220	252,145
Miscellaneous expenses	38,806	25,199	64,005
TOTAL OPERATING EXPENSES	453,141	369,534	822,675
OPERATING INCOME (LOSS)	(55,803)	(43,307)	(99,110)
NONOPERATING REVENUES (EXPENSES)			
Interest income	28	46	74
Interest expense	(25,975)	(36,104)	(62,079)
Contributions in aid of contruction	10,680	-	10,680
TOTAL NONOPERATING REVENUES (EXPENSES)	(15,267)	(36,058)	(51,325)
NET INCOME (LOSS) BEFORE TRANSFERS	(71,070)	(79,365)	(150,435)
TRANSFERS			
Transfers in	22,912	65,895	88,807
Transfers out	-	(27,000)	(27,000)
Transfer of assets to Southwest Harbor Public Utilities District	(3,103,567)	(720,004)	(3,823,571)
TOTAL TRANSFERS	(3,080,655)	(681,109)	(3,761,764)
CHANGE IN NET POSITION	(3,151,725)	(760,474)	(3,912,199)
NET POSITION - JULY 1, RESTATED	3,151,725	760,474	3,912,199
NET POSITION - JUNE 30	\$ -	\$ -	\$ -

See accompanying independent auditors' report and notes to financial statements.

STATEMENT I

TOWN OF SOUTHWEST HARBOR, MAINE

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	Enterprise Funds		Total Enterprise Funds
	Water Fund	Sewer Fund	
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 569,343	\$ 853,413	\$ 1,422,756
Other receipts	19,379	7,968	27,347
Internal activity - receipts (payments) from/to other funds	-	(568,539)	(568,539)
Payments to suppliers	21,304	(199,756)	(178,452)
Payments to employees	(128,821)	(110,543)	(239,364)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	481,205	(17,457)	463,748
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest income	28	46	74
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	28	46	74
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers from (to) other funds	22,912	38,895	61,807
Transfer to Southwest Harbor Public Utilities District	(3,103,567)	(720,004)	(3,823,571)
Long-term debt obligation from Southwest Harbor Public Utilities District	(2,720,998)	(1,644,146)	(4,365,144)
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	(5,801,653)	(2,325,255)	(8,126,908)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Capital asset acquisitions	(10,680)	(10,000)	(20,680)
Disposal of capital assets	-	26,747	26,747
Contributions in aid of construction	10,680	-	10,680
Net capital assets transferred to Southwest Harbor Public Utilities District	5,401,869	2,431,226	7,833,095
Repayment of short-term debt	(780,000)	-	(780,000)
Bond proceeds	780,000	-	780,000
Principal payments on long-term debt	(152,445)	(117,369)	(269,814)
Interest paid on long-term debt	(25,922)	(36,104)	(62,026)
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	5,223,502	2,294,500	7,518,002
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(96,918)	(48,166)	(145,084)
CASH AND CASH EQUIVALENTS - JULY 1, RESTATED	96,918	48,166	145,084
CASH AND CASH EQUIVALENTS - JUNE 30	\$ -	\$ -	\$ -
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income (loss)	\$ (55,803)	\$ (43,307)	\$ (99,110)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation and amortization expense	171,925	80,220	252,145
Changes in operating assets and liabilities:			
(Increase) decrease in accounts receivable	47,085	535,154	582,239
(Increase) decrease in accrued revenue	144,299	-	144,299
(Increase) decrease in unamortized bond issue costs	9,597	-	9,597
(Increase) decrease in deferred engineering studies	3,387	-	3,387
(Increase) decrease in acquisition adjustment	175,052	-	175,052
Increase (decrease) in accounts payable	(3,965)	(20,985)	(24,950)
Increase (decrease) in accrued payroll and benefits	(10,372)	-	(10,372)
Increase (decrease) in due to other funds	-	(568,539)	(568,539)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 481,205	\$ (17,457)	\$ 463,748

See accompanying independent auditors' report and notes to financial statements.

STATEMENT J

TOWN OF SOUTHWEST HARBOR, MAINE

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2016

	Private-Purpose Trust Funds				Total Private-Purpose Trust Funds	Agency Funds General Trust
	Dickey Fund	Johnson Fund	Student Activities	PTO		
ASSETS						
Cash and cash equivalents	\$ 759	\$ 70,581	\$ 6,839	\$ 8,193	\$ 86,372	\$ 1,011
Investments, at fair value	37,683	-	-	-	37,683	50,218
TOTAL ASSETS	<u>\$ 38,442</u>	<u>\$ 70,581</u>	<u>\$ 6,839</u>	<u>\$ 8,193</u>	<u>\$ 124,055</u>	<u>\$ 51,229</u>
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deposits held for others	-	-	-	-	-	51,229
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>51,229</u>
NET POSITION						
Restricted-held in trust for special purposes	38,442	70,581	6,839	8,193	124,055	
TOTAL NET POSITION	<u>38,442</u>	<u>70,581</u>	<u>6,839</u>	<u>8,193</u>	<u>124,055</u>	
TOTAL LIABILITIES AND NET POSITION	<u>\$ 38,442</u>	<u>\$ 70,581</u>	<u>\$ 6,839</u>	<u>\$ 8,193</u>	<u>\$ 124,055</u>	

See accompanying independent auditors' report and notes to financial statements.

STATEMENT K

TOWN OF SOUTHWEST HARBOR, MAINE

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2016

	Private-Purpose Trust Funds				Total Private-Purpose Trust Funds
	Dickey Fund	Johnson Fund	Student Activities	PTO	
ADDITIONS					
Trust fund income	\$ -	\$ 24,000	\$ -	\$ -	\$ 24,000
Student activities	-	-	29,916	13,464	43,380
Investment earnings, net of unrealized gains/(losses)	(1,708)	127	-	-	(1,581)
Total additions	(1,708)	24,127	29,916	13,464	65,799
DEDUCTIONS					
Miscellaneous	310	37,664	-	-	37,974
School activities	-	-	25,880	13,523	39,403
Total deductions	310	37,664	25,880	13,523	77,377
Change in net position	(2,018)	(13,537)	4,036	(59)	(11,578)
NET POSITION - JULY 1	40,460	84,118	2,803	8,252	135,633
NET POSITION - JUNE 30	\$ 38,442	\$ 70,581	\$ 6,839	\$ 8,193	\$ 124,055

See accompanying independent auditors' report and notes to financial statements.

TOWN OF SOUTHWEST HARBOR, MAINE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Town of Southwest Harbor, Maine was incorporated under the laws of the State of Maine. The Town operates under the selectmen-manager form of government and provides the following services: general government services, protection, public works, health and sanitation, education and social services.

The Town's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

The Town's combined financial statements include all accounts and all operations of the Town. We have determined that the Town has no component units as described in GASB Statement No. 14 and amended by GASB Statements No. 39 and No. 61.

Implementation of New Accounting Standards

During the year ended June 30, 2016, the following statements of financial accounting standards issued by the Governmental Accounting Standards Board became effective:

Statement No. 72, "*Fair Value Measurement and Application*". The objective of the Statement is to expand comparability of financial statements among governments by requiring measurement of certain assets and liabilities at fair value using a consistent and more detailed definition of fair value and accepted valuation techniques. This Statement also will improve fair value application guidance and related disclosures in order to provide information to financial statement users about the impact of fair value measurements on a government's financial position. Management has determined the impact of this Statement is not material to the financial statements.

Statement No. 73, "*Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*". The objective of the Statement is to improve financial reporting by instituting a single framework for the presentation of information about pensions, thereby expanding the comparability of pension-related information reported by state and local governments. Management has determined that this Statement is not applicable.

Statement No. 76, "*The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*". The objective of this Statement is to identify-in the

SCHEDULE 1

TOWN OF SOUTHWEST HARBOR, MAINE

**BUDGETARY COMPARISON SCHEDULE – BUDGETARY BASIS – BUDGET AND
ACTUAL – GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2016**

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	Positive (Negative)
Resources (Inflows):				
Taxes:				
Property Taxes	\$ 7,050,631	\$ 7,054,665	\$ 7,022,005	\$ (32,660)
Excise Taxes	343,000	343,000	427,546	84,546
Intergovernmental Revenues:				
State Revenue Sharing	50,000	50,000	57,878	7,878
Homestead Reimbursement	24,000	24,000	26,833	2,833
Local Road Assistance	19,000	19,000	17,660	(1,340)
Education	130,000	130,000	259,110	129,110
BETE	700	700	434	(266)
Other	30,396	30,396	2,062	(28,334)
Interest Income	12,000	12,000	16,644	4,644
Interest on Taxes/Lien Costs	24,000	24,000	28,304	4,304
Charges for services:				
Solid Waste Revenues	40,500	40,500	29,711	(10,789)
Permits, Fees and Other Revenue	110,550	110,550	106,876	(3,674)
Docks and Floats Revenue	85,800	85,800	83,772	(2,028)
Education	1,500	1,500	25,775	24,275
Other	300	300	199	(101)
Miscellaneous Revenues	24,000	190,666	199,932	9,266
Misc. School Department Revenues	-	-	3,247	3,247
Transfers from Other Funds	-	33,000	67,089	34,089
Use of Unassigned Fund Balance	-	84,000	-	(84,000)
Use of Fund Balance - School	71,612	71,612	-	(71,612)
Revenues and Other Sources	<u>8,017,989</u>	<u>8,305,689</u>	<u>8,375,077</u>	<u>69,388</u>
Charges to Appropriations (Outflows):				
General Government	345,888	351,888	369,958	(18,070)
Protection	1,060,980	975,480	965,982	9,498
Health & Sanitation	366,275	366,275	355,180	11,095
Public Works	435,430	396,430	391,141	5,289
Education	4,467,964	4,467,964	4,527,836	(59,872)
County Tax	244,901	244,901	244,901	-
Social Services	201,164	201,164	201,164	-
Debt Service:				
Principal	196,537	196,537	196,537	-
Interest	85,126	85,126	83,842	1,284
Unclassified	134,053	221,753	209,909	11,844
Transfers to Other Funds	472,344	790,844	790,844	-
Expenditures and Other Uses	<u>8,010,662</u>	<u>8,298,362</u>	<u>8,337,294</u>	<u>(38,932)</u>
Excess of Revenues over Expenditures	<u>\$ 7,327</u>	<u>\$ 7,327</u>	<u>37,783</u>	<u>\$ 30,456</u>
Fund Balance, July 1			<u>2,579,233</u>	
Fund Balance, June 30			<u>\$ 2,617,016</u>	

See accompanying independent auditors' report and notes to financial statements.

TOWN OF SOUTHWEST HARBOR, MAINE

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
LAST 10 FISCAL YEARS*

	2016	2015
<u>SET Plan:</u>		
Town's proportion of the net pension liability	0.0042%	0.0045%
Town's proportionate share of the net pension liability	\$ 56,664	\$ 48,323
State's proportionate share of the net pension liability associated with the Town	1,450,412	1,225,807
Total	<u>\$ 1,507,076</u>	<u>\$ 1,274,130</u>
Town's covered-employee payroll	\$ 1,162,391	\$ 1,277,901
Town's proportionate share of the net pension liability as a percentage of its covered-employee payroll	4.87%	3.78%
Plan fiduciary net position as a percentage of the total pension liability	81.18%	83.91%

* The amounts presented for each fiscal year are for those years for which information is available.

See accompanying independent auditors' report and notes to financial statements.

SCHEDULE 3

TOWN OF SOUTHWEST HARBOR, MAINE

SCHEDULE OF CONTRIBUTIONS
LAST 10 FISCAL YEARS*

	2016	2015	2014
<u>SET Plan:</u>			
Contractually required contribution	\$ 42,636	\$ 42,051	\$ 41,965
Contributions in relation to the contractually required contribution	<u>(42,636)</u>	<u>(42,051)</u>	<u>(41,965)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered-employee payroll	\$ 1,162,391	\$ 1,277,901	\$ 1,322,209
Contributions as a percentage of covered-employee payroll	3.67%	3.29%	3.17%

* The amounts presented for each fiscal year are for those years for which information is available.

See accompanying independent auditors' report and notes to financial statements.

Other Supplementary Information

Other supplementary information includes financial statements and schedules not required by the Government Accounting Standards Board, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

- Combining Schedule of Revenues, Expenditure and Changes in Fund Balances – Nonmajor Special Revenue Funds
- Schedule of Departmental Operations – General Fund
- Schedule of General Capital Assets by Function
- Schedule of Changes in General Capital Assets by Function

SCHEDULE A

TOWN OF SOUTHWEST HARBOR, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2016

<u>Town Funds</u>	Beginning Balance	Revenues	Transfers from Funds	Investment Earnings	Expenditures	Transfers to Funds	Ending Balance
State Revenue Sharing	\$ 16,129	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,129
Wage & Benefit	1,983	-	10,000	50	4,361	-	7,672
Abatements	17,756	-	-	46	1,776	2,734	13,292
Legal and Accounting	14,442	-	18,000	76	35,453	-	(2,935)
Professional Development	9,264	6,731	59,000	60	19,119	-	55,936
D.A.R.E. Program	391	-	-	1	-	-	392
Comprehensive Planning	596	-	-	2	500	-	98
Unemployment	25,242	-	-	82	36	-	25,288
Shellfish	4,269	-	-	14	78	-	4,205
Sand and Salt Shed	-	-	30,000	-	-	-	30,000
General Assistance	-	1,084	5,000	11	2,234	-	3,861
Junior Fire Department	128	-	-	1	-	-	129
School Safety	(516)	-	-	-	129	-	(645)
Map Update	1,338	-	60	3	127	-	1,274
Police Equipment	-	600	-	-	900	-	(300)
Swap Shop	2,810	363	-	10	21	-	3,162
Lower Town Dock	6	-	-	-	-	-	6
Antenna Relocation, etc.	8,262	-	-	27	-	-	8,289
Safe Routes to School Grant	9,883	-	-	3	-	-	9,886
Trail Grant	4,276	-	-	-	-	-	4,276
Septic Tank Grant	131	-	-	-	-	-	131
Wellness Grant	125	-	-	-	-	-	125
Conservation Commission	136,854	26,014	-	-	35,634	-	127,234
Police	1,360	626	-	-	443	-	1,543
School Playground	3,203	-	-	-	-	-	3,203
Total Town Funds	257,932	35,418	122,060	386	100,811	2,734	312,251

SCHEDULE A (CONTINUED)

TOWN OF SOUTHWEST HARBOR, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2016

CIP Funds	Beginning Balance	Revenues	Transfers from Funds	Investment Earnings	Expenditures	Transfers to Funds	Ending Balance
Municipal Software	28,227	-	-	91	10,164	-	18,154
Computer	12,090	-	3,000	50	21,376	-	(6,236)
Record Preservation	14,900	-	1,000	44	4,354	-	11,590
Municipal Building Engineering	6,916	-	-	22	15,861	-	(8,923)
Building Renovations	67,034	-	-	217	28,479	-	38,772
Police Cruiser	8,191	-	5,000	40	21,845	-	(8,614)
Police Station Engineering	3	-	-	-	3	-	-
Police Station Construct	3	-	-	-	3	-	-
Dispatch Console	6,043	-	800	22	6,848	-	17
Dispatch Security Cameras	(819)	-	817	2	-	-	-
Thermal Imaging Camera	20	-	-	-	-	-	20
Harbor Master Boat Motor	10,668	-	500	36	-	-	11,204
4 X 16 Spruce - Manset	11,629	-	1,280	41	-	-	12,950
Lower Town Dock Pier	4,574	-	-	2	-	4,562	14
Highway 1 Ton Pickup	60,716	-	3,000	175	59,939	-	3,952
Highway #1 Plow Truck	31,077	-	6,000	118	-	-	37,195
Highway #2 Plow Truck	77,813	-	18,000	302	-	-	96,115
Highway Loader	34,658	-	-	194	65,565	-	(30,713)
Highway Garage	90,254	-	-	292	-	-	90,546
Road Projects	292,608	9,642	115,000	899	342,008	-	76,141
Sidewalks Projects	1,977	-	54,000	20	1,202	-	54,795
Harbor Hoists Upgrade	10,535	-	-	34	1,535	-	9,034
Pilings/Wall Replacement	21,035	-	2,200	74	-	-	23,309
Manset Dock Float Bridge	1,054	-	1,000	6	-	-	2,060
Cross Bracing Replacement	11,375	-	2,100	43	-	-	13,518
Lower Town Dock Parking Lot	3	-	-	-	3	-	-
Ladder Replacement	5,335	-	-	17	-	-	5,352
Town Office Copier	5,217	-	-	17	-	-	5,234
Vote Counter	6,417	-	250	21	-	-	6,688
Revaluation	44,455	-	-	144	-	-	44,599
Cable Access Equipment	1,116	-	1,500	8	2,000	-	624
Police 2007 Ford Expedition	23,168	-	5,000	89	29,636	-	(1,379)

SCHEDULE A (CONTINUED)

TOWN OF SOUTHWEST HARBOR, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2016

CIP Funds (Continued)	Beginning Balance	Revenues	Transfers from Funds	Investment Earnings	Expenditures	Transfers to Funds	Ending Balance
Police In-Car Camera	1	-	-	-	1	-	-
Town Wide Communication	864	-	-	3	-	-	867
Explosive & Hazard Gas Monitor	2,131	-	900	10	-	-	3,041
Jaws of Life	(1,378)	-	750	-	3	-	(631)
SCBA	15,472	-	3,000	58	-	-	18,530
Quint Pumper	23	-	-	-	-	-	23
Manset Harbormaster Office	48,355	-	2,000	162	-	-	50,517
John Deere 4X4 Tractor	65,876	33	10,000	72	73,203	-	2,778
Parking Lot Improvement	30,278	-	10,000	126	13,497	-	26,907
Storm Water Management	13,364	-	-	38	2,053	-	11,349
Boat Trailer	344	-	-	1	-	-	345
Trap Slides	2,036	-	1,014	10	-	-	3,060
Electrical Conduit - Manset Dock	1,887	-	484	8	-	-	2,379
Light Post - Upper Town Dock	1,512	-	250	6	-	-	1,768
Mooring Plan Update	9,631	-	-	16	-	5,600	4,047
Sidewalk Plow/Blower	7,394	-	6,000	41	8,327	-	5,108
Infrastructure Feasibility	(1)	-	1	-	-	-	-
John Deere Lawn Mower	1,924	-	500	8	-	-	2,432
16 x 24 Floats Lower Town Dock	2,241	-	2,155	14	-	-	4,410
Sup Pile	19,893	-	5,600	80	-	-	25,573
Stl Pile	1,095	-	395	4	-	-	1,494
Street Sweeper	37,869	-	4,489	135	-	-	42,493
6 x 20 Finger Floats Lower Dock	552	-	305	3	-	-	860
Water/Sewer Infrastructure	149,699	-	185,000	663	148,030	-	187,332
Harbor	10,239	-	4,460	46	-	-	14,745
Ford Pick Up - Chiefs Truck	19,232	10,000	-	52	33,820	-	(4,536)
Deck Planning	31,880	-	5,727	119	-	-	37,726
Ramp Resurfacing	18,525	-	3,652	71	-	-	22,248

SCHEDULE A (CONTINUED)

TOWN OF SOUTHWEST HARBOR, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2016

<u>CIP Funds (Continued)</u>	Beginning Balance	Revenues	Transfers from Funds	Investment Earnings	Expenditures	Transfers to Funds	Ending Balance
Catwalk/Step Replacement	16,331	-	7,000	72	-	-	23,403
Pressurized Line Striper	4,430	-	1,100	17	-	-	5,547
Ford Rescue/Mini Pumper	86,957	-	-	281	-	-	87,238
Speed Trailer	2,057	-	-	-	5	2,052	-
Harbor	4,983	-	1,732	21	-	-	6,736
Municipal	571	-	-	1	-	-	572
Harbor	5,309	-	1,759	22	-	-	7,090
Harbor	1,935	-	-	7	-	-	1,942
Administration	2,172	-	7,500	7	-	-	9,679
Highway	(1,283)	-	1,280	3	-	-	-
Police	(2,057)	-	5,053	3	925	-	2,074
Harbor	16,571	-	2,454	60	-	-	19,085
Harbor	4,043	-	1,355	17	-	-	5,415
Municipal	15,218	9,025	84,000	27	110,491	-	(2,221)
Dispatch	4,862	-	-	17	4,687	-	192
Emergency Repairs	-	-	8,563	24	-	-	8,587
Total CIP Funds	1,541,329	28,700	588,925	5,345	1,005,863	12,214	1,146,222
<u>School Funds</u>							
Bus Purchase	47,508	3,750	-	121	-	-	51,379
Special Education	153,427	-	-	498	-	-	153,925
Maintenance	47,920	18,000	-	125	-	-	66,045
Total School Funds	248,855	21,750	-	744	-	-	271,349
Total Special Revenue Funds	\$ 2,048,116	\$ 85,868	\$ 710,985	\$ 6,475	\$ 1,106,674	\$ 14,948	\$ 1,729,822

See accompanying independent auditors' report and notes to financial statements.

SCHEDULE B

TOWN OF SOUTHWEST HARBOR, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS – GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2016

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Positive (Negative)
General Government -					
Administration	\$ 243,497	\$ -	\$ 243,497	\$ 271,033	\$ (27,536)
Assessing & Planning	76,401	-	76,401	75,290	1,111
Municipal Offices	25,990	6,000	31,990	23,635	8,355
	<u>345,888</u>	<u>6,000</u>	<u>351,888</u>	<u>369,958</u>	<u>(18,070)</u>
Protection -					
Fire Department	83,970	(20,100)	63,870	70,188	(6,318)
Dispatch Service	260,188	(14,000)	246,188	245,831	357
Hydrant Rental	201,025	-	201,025	201,025	-
Police Protection	455,097	(51,400)	403,697	398,848	4,849
Street Lights	25,000	-	25,000	25,117	(117)
Insurance	35,700	-	35,700	24,973	10,727
	<u>1,060,980</u>	<u>(85,500)</u>	<u>975,480</u>	<u>965,982</u>	<u>9,498</u>
Health & Sanitation -					
Solid Waste/Recycling	366,275	-	366,275	355,180	11,095
	<u>366,275</u>	<u>-</u>	<u>366,275</u>	<u>355,180</u>	<u>11,095</u>
Public Works -					
Highway Department	328,929	(39,000)	289,929	287,861	2,068
Harbor	106,501	-	106,501	103,280	3,221
	<u>435,430</u>	<u>(39,000)</u>	<u>396,430</u>	<u>391,141</u>	<u>5,289</u>

SCHEDULE B (CONTINUED)

TOWN OF SOUTHWEST HARBOR, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS – GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2016

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Positive (Negative)
Education -					
Primary - General Fund	3,324,360	-	3,324,360	3,384,232	(59,872)
Secondary	1,143,604	-	1,143,604	1,143,604	-
	<u>4,467,964</u>	<u>-</u>	<u>4,467,964</u>	<u>4,527,836</u>	<u>(59,872)</u>
County Tax	<u>244,901</u>	<u>-</u>	<u>244,901</u>	<u>244,901</u>	<u>-</u>
Social Services -					
Bar Harbor Food Pantry	2,500	-	2,500	2,500	-
Downeast Health Services	1,080	-	1,080	1,080	-
Downeast Horizons	1,800	-	1,800	1,800	-
Eastern Area on Aging	1,500	-	1,500	1,500	-
Hancock County Homecare	1,870	-	1,870	1,870	-
Harbor House	56,340	-	56,340	56,340	-
Hospice of Hancock County	1,000	-	1,000	1,000	-
Island Connections	2,000	-	2,000	2,000	-
Island Explorer	10,000	-	10,000	10,000	-
Mt. Heights Cemetery	3,500	-	3,500	3,500	-
Library	55,000	-	55,000	55,000	-
Nursing Service	58,000	-	58,000	58,000	-
WHCA	3,574	-	3,574	3,574	-
MDI Comm. Campfire Coalition	3,000	-	3,000	3,000	-
	<u>201,164</u>	<u>-</u>	<u>201,164</u>	<u>201,164</u>	<u>-</u>
Debt Service -					
Principal	196,537	-	196,537	196,537	-
Interest	85,126	-	85,126	83,842	1,284
	<u>281,663</u>	<u>-</u>	<u>281,663</u>	<u>280,379</u>	<u>1,284</u>

SCHEDULE B (CONTINUED)

TOWN OF SOUTHWEST HARBOR, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS – GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2016

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Positive (Negative)
Unclassified -					
Boards and committees	4,000	-	4,000	4,344	(344)
Facility maintenance	9,000	-	9,000	11,899	(2,899)
Construction projects	-	166,666	166,666	166,666	-
Truck purchase	-	27,000	27,000	27,000	-
Overlay	121,053	(105,966)	15,087	-	15,087
	<u>134,053</u>	<u>87,700</u>	<u>221,753</u>	<u>209,909</u>	<u>11,844</u>
Transfers to Other Funds -					
Special revenue funds	383,537	318,500	702,037	702,037	-
Water department	22,912	-	22,912	22,912	-
Sewer department	65,895	-	65,895	65,895	-
	<u>472,344</u>	<u>318,500</u>	<u>790,844</u>	<u>790,844</u>	<u>-</u>
Totals	<u>\$ 8,010,662</u>	<u>\$ 287,700</u>	<u>\$ 8,298,362</u>	<u>\$ 8,337,294</u>	<u>\$ (38,932)</u>

See accompanying independent auditors' report and notes to financial statements.

General Capital Assets

General capital assets are those assets related to activities reported in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position.

SCHEDULE C

TOWN OF SOUTHWEST HARBOR, MAINE

SCHEDULE OF GENERAL CAPITAL ASSETS BY FUNCTION
JUNE 30, 2016

	Land and Non-depreciable Assets	Buildings, Building Improvements & Land Improvements	Furniture, Fixtures, Equipment & Vehicles	Infrastructure	Total
General Government	\$ -	\$ 48,136	\$ 92,187	\$ -	\$ 140,323
Protection	213,556	1,828,820	1,600,931	-	3,643,307
Education	-	5,457,168	505,783	-	5,962,951
Public Works	1,520,320	434,707	603,010	12,927,048	15,485,085
Town-wide	201,645	420,091	444,157	-	1,065,893
Total General Capital Assets	1,935,521	8,188,922	3,246,068	12,927,048	26,297,559
Less: Accumulated Depreciation	-	(2,765,763)	(1,873,066)	(6,683,556)	(11,322,385)
Net General Capital Assets	\$ 1,935,521	\$ 5,423,159	\$ 1,373,002	\$ 6,243,492	\$ 14,975,174

See accompanying independent auditors' report and notes to financial statements.

SCHEDULE D

TOWN OF SOUTHWEST HARBOR, MAINE

SCHEDULE OF CHANGES IN GENERAL CAPITAL ASSETS BY FUNCTION
FOR THE YEAR ENDED JUNE 30, 2016

	General Capital Assets 7/1/15 (Restated)	Additions	Deletions	General Capital Assets 6/30/16
General Government	\$ 140,323	\$ -	\$ -	\$ 140,323
Protection	3,573,651	69,656	-	3,643,307
Education	5,951,883	11,068	-	5,962,951
Public Works	15,436,591	48,494	-	15,485,085
Water	7,343,853	10,680	(7,354,533)	-
Sewer	5,559,113	10,000	(5,569,113)	-
Town-wide	1,065,893	-	-	1,065,893
Total General Capital Assets	39,071,307	149,898	(12,923,646)	26,297,559
Less: Accumulated Depreciation	(15,481,016)	(905,173)	5,063,804	(11,322,385)
Net General Capital Assets	<u>\$ 23,590,291</u>	<u>\$ (755,275)</u>	<u>\$ (7,859,842)</u>	<u>\$ 14,975,174</u>

See accompanying independent auditors' report and notes to financial statements.

IMPORTANT CONTACTS

Emergency (Police/Fire/Ambulance)	911
Dispatch (Police/Fire/Ambulance)	244-7911
Highway Department	244-7917
Water Department	244-3948
Sewer Department	244-7919
Harbormaster	244-7913
Code Enforcement	244-7915
Municipal Office	244-5404
Municipal Office Fax	244-7914 & 244-4483
Municipal Email	adminassist@southwestharbor.org
Transfer Station (EMR, Inc.)	244-4347
Public Library	244-7065
Pemetic Elementary School	244-9264
US Post Office	244-3456