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Town of Southwest Harbor Maine Annual Report 2017

Southwest Harbor, Me.

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Town of Southwest Harbor



Annual Report 2017

DEDICATION

The 2017 Town Report is dedicated to Ben Harper, who retired in 2017 after 37 years of dedicated service. After graduating from the University of Maine and a short period teaching math at Connors Emerson School, he called about a dispatch vacancy. Ben was hired on the spot, starting his career in January of 1980 as a SWH Dispatcher. Ben also served with the Tremont Fire Department for 33 years rising to the rank of Assistant Chief and serving with the Southwest Harbor Tremont Ambulance Service for 17 years, 10 of those years being President. A very dependable employee, he has also been described as a very genuine person, knowing just about everyone or knowing who to call to find out. He was a great teller of tales, jokes and stories.



IN MEMORIAM

This 2017 Town Report is dedicated to the memory of
Andrew "Andy" Mays aka Aquaman, and former
Harbormaster Eugene (Gene) Thurston



Eugene Thurston III (Gene)
1947 - 2017

Eugene Thurston III (Gene) was raised in the village of Manset where he spent 69 years living, and working on the water. After graduating Pemetic High School in 1966 he enlisted in the Army, and served in Vietnam. When Gene returned home he started his Lobstering career, and soon after he met his wife Carmella whom he was married to for 38 years.

He co-owned the Kozy Kove Restaurant in town for several years, and then took on the position of Harbormaster. Gene spent 17 years as the Harbormaster and oversaw many significant changes in the harbor during that time. After retirement he was able to get back to his passion of lobster fishing. Gene was a proud member of the Southwest Harbor community and he will always be remembered.

Andy served in the USCG from 1983-1991 being stationed on the USCGC "Sassafras" in Hawaii, on Governor's Island NY and SW Harbor from '85 - '91 as a Lighthouse Technician.

Deciding he liked it here, Andy bought a house, coached Harbor House youth sports for several years, learned to Scuba Dive, and later earned his Lobster License. Aka "Aquaman" he did commercial dive jobs, retrieved lost articles for passersby, provided marine creatures for the Oceanarium, and dove for many years to keep the Swans Island Ferry running on schedule. Andy's distinctively painted lobster boat F/V "Lost Airmen", was built in tribute to a Great Uncle who was a ball turret gunner during WWII.

Andy was a Past Master of the Tremont Masonic Lodge # 77; a member of American Legion Post #69; a member of St. Peters Catholic Church, Manset. He was the Southwest Harbor Clam Warden, and a member of the Shellfish Committee which he helped establish to protect local clam flats from commercial digging and a long-time member of the Harbor Committee. He also served on the DMR Scallop Advisory Council and was the first-time recipient of the Department of Maine Resources Award of Excellence.



Andrew "Andy" Mays aka
Aquaman, 1964 - 2017



2017

ANNUAL REPORT
TOWN OF
SOUTHWEST HARBOR

Incorporated 1905

For the fiscal year July 1, 2016 – June 30, 2017

Including

The Proposed Warrant

For the fiscal year July 1, 2018 – June 30, 2019

MUNICIPAL OFFICERS AND OFFICIALS

Board of Selectmen

Dan Norwood, Chairman
Chad Terry, Vice-Chairman
George Jellison, Jr.
Lydia Goetze
Ryan Donahue

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

Deborah Clark

Administrative Assistant, Deputy Clerk

Robert Salisbury

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

Lunn Sawyer, Chair
Paul Slaunwhite

Conservation Commission

Susan Allen
Fancine Mayhew
Ann Judd, Associate

Jane Ayers
Ann Ratcliff
Ellen Scull

Jeff Dutra, Tree Warden
Eleanor Park
Barbara Amstutz, Associate

Harbor Committee

Corey Pettegrow
Adam Thurston

Brian Walls
Nicholas Madeira

John Stanley
Anne Napier

Planning Board

Eric Davis
John Williams
Lee Worcester

Chris Rawls

Michael Magnani
Jesse Dunbar

Shellfish Conservation Committee

Jim Colquhoun, Chair
Bonnie Norwood

Michael Carroll

John Stanley
Adam Thurston, Warden

Warrant Committee

Ellen Nolan
Ruth Davis
Kristin Hutchins

Jesse Dunbar
Ann Heisey

John Williams
Donald Lodge

Southwest Harbor Housing Authority

John Wellington
Susi Homer
Henry Barendse, Tenants Rep.

Karen Craig
Sonia Field

Lee Worcester, Chairman

Pemetic School Board

Susan Allen, Chair
Dani Piquette-Kelly

John Bench

Ingrid Wilbur-Kachmar
James Sawyer

High School Trustees

Michael Sawyer

Steve Hudson

Ingrid Wilbur-Kachnar

Water & Sewer District Board of Trustees

James Geary, Chair
Lee Worcester

James Vekasi

Donald LaGrange
Ralph Dunbar

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:

For the past seven years as your Governor, my priority has been to make Maine—our people—prosper. Helping you keep more money in your wallet by reducing taxes has been part of that mission.

Too many Maine families are facing skyrocketing property taxes that strain household budgets. Our elderly on fixed incomes are particularly vulnerable to these increases. School budgets are often blamed for annual increases in property taxes. But there's another reason. A tremendous amount of land and property value has been taken off the tax rolls, leaving homeowners to pick up the tab.

As of 2016, towns and cities owned land and buildings valued at nearly \$5.5 billion statewide. Large and wealthy non-profits, such as hospitals and colleges, often escape paying property taxes on their vast real estate holdings—totaling more than \$5.1 billion statewide.

In Maine, nearly 2.5 million acres of land have been set aside for conservation by the federal and state governments and non-profit organizations, including land trusts. Municipalities are losing out on property taxes on an estimated \$2 billion in land that has been either removed from the tax rolls or prohibited from development—shifting the cost of municipal services to local homeowners through higher property taxes.

It's time to recognize the results of taking property off the tax rolls and identify solutions to reduce the burden on our homeowners. My administration's proposals have been met with staunch resistance.

In 1993, about 35,800 acres of land were documented as land-trust owned. That number has increased by an astonishing 1,270 percent. Land trusts now control over 490,000 acres with an estimated value of \$403 million. We must restore the balance. We will be working this session to ensure all land owners are contributing to the local tax base. It's time for them to pay their fair share.

I encourage you to ask your local officials how much land in your municipality has been taken off the tax rolls, as well as how much in tax revenue that land would have been contributing today to offset your property taxes.

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,

A handwritten signature of Paul R. LePage in black ink.

Paul R. LePage
Governor

128th Legislature
Senate of
Maine
Senate District 7

Senator Brian D. Langley
3 State House Station
Augusta, ME 04333-0003
(207) 287-1505

Dear Friends and Neighbors:

I would like to thank you for the opportunity to represent you in the Maine Senate. It has been an honor to serve you for four terms and I can hardly believe that I will be termed out after this coming November. I have met thousands of people living in Hancock County that I never would have met any other way. Representing this district with its unique communities ranging from islands to unorganized territories has truly been the best experience of my life.

On August 2, Maine lawmakers finally adjourned for the year, after what proved to be the longest session in recent memory due to a brief government shut down over budgetary disagreements. While no state budget is ever perfect, the end product was a state budget that makes a record investment in our students, supports our communities and will tremendously benefit small businesses and our economy.

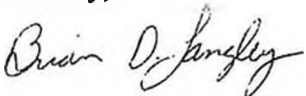
Perhaps the most significant action the Legislature took last year, as part of the biennial budget, was the removal of the burdensome, job-killing surtax that was already hurting small businesses, doctors and other professionals that we so critically need. In November 2016, voters sent a clear message that education funding was to be a priority of the 128th Legislature, and we heard that message loud and clear. However, the funding mechanism which was included in the measure – the surtax – presented a serious threat to the state's economy. This new tax gave Maine the ominous distinction of being the highest-taxed state in the country and primarily impacted small businesses, which are the backbone of our economy, taxing them at a rate that is higher than larger corporations are subject to pay. I am proud to say that after much hard work and negotiating and thanks to our rebounding economy, we were able to support our local schools at a level we have never been able to before – without any additional taxation.

The Homestead Exemption, which provides much-needed property tax relief for homeowners, was also preserved in the budget with an increased exemption of \$20,000.

The Legislature also passed a measure to make Maine compliant with the REAL ID Act. As a result of this important new law, the federal government has granted Maine a waiver, meaning that Maine citizens can continue to use their driver's licenses to board commercial airplanes and access certain federal buildings.

While we accomplished much, there is still a lot of work ahead of us next session. Again, thank you for putting your trust in me to represent you. Please feel free to contact me if you need help in navigating the state bureaucracy. I can be reached in Augusta at 287-1505 or by email at brian.langley@legislature.maine.gov. Thank you for allowing me to be your senator.

Sincerely,



Senator Brian Langley



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. As I enter my final year in office due to term limits, I intend to work hard throughout the session to provide responsive constituent services and advance legislation that benefits the people of our island and coastal communities.

This year the Legislature's agenda will be limited mostly to emergency legislation and bills carried over from 2017. We are scheduled to adjourn by the end of April.

The bills we will be taking up cover a wide range of topics, but our chief focus will be on making sure Maine properly implements the MaineCare expansion overwhelmingly passed by voters last November. We will also work to implement the recommendations of a task force that studied Maine's opioid crisis, continue to wrestle with education costs and property taxes, revisit our approach to energy and technology infrastructure in the wake of recent storms, find consensus on the voter-approved citizen initiative legalizing the limited recreational use and sale of marijuana and address any unexpected situations that might arise during the spring.

This year I will once again co-chair the Legislature's Marine Resources Committee. We will continue to work with the Department of Marine Resources on licensing and permitting issues, more effective enforcement, preventing unreasonable fee increases, providing more flexibility for fishermen and harvesters who experience medical issues and continuing to support ways to improve to health of our fisheries. 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.

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 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

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 from this past year.

Maine has the oldest average age in the nation. As Chairman of the Senate Aging Committee, my top three priorities for the Committee are fighting fraud and financial abuse directed at our nation's seniors, increasing investments in biomedical research, and improving retirement security. Following the Committee's investigation into skyrocketing prescription drug costs, I authored bipartisan legislation to foster generic competition, which was signed into law. The Aging Committee's toll-free hotline (1-855-303-9470) makes it easier for seniors to report suspected fraud and receive assistance. To support the 40 million family caregivers in the United States, I am proud to have authored the RAISE Family Caregivers Act to create a coordinated strategy to support family members who make countless personal and financial sacrifices to care for their loved ones.

The opioid crisis touches families and communities across our state. As a member of the Appropriations Committee, I fought for significant increases in funding to support community, law-enforcement, and public health efforts. In April, the State of Maine was awarded over \$2 million to fight this devastating public health crisis. Additionally, I have authored legislation to support grandparents and other extended family members who are raising grandchildren as a result of the nation's opioid epidemic.

Biomedical research has the potential to improve and save lives, and also supports good jobs at research facilities here in Maine. Last year, the Appropriations Committee approved a \$2 billion increase for the National Institutes of Health for the third consecutive year. This includes an increase of nearly 30 percent for research on Alzheimer's, our nation's most costly disease. As founder and co-chair of the Senate Diabetes Caucus, I work to raise awareness of the threats posed by diabetes, invest in research, and improve access to treatment options. My bill to establish a national commission of health care experts on diabetes care and prevention was signed into law in 2017.

We owe our veterans so much. Last year, I worked to secure the authorization of a Community-Based Outpatient Clinic in Portland to support the health care of Maine's veterans in the southern part of our state. I also worked to secure funding extensions to help veterans throughout rural Maine receive health care within their communities. I also worked to secure funding for housing vouchers for veterans to reduce veterans' homelessness.

Maine's contributions to our national security stretch from Kittery to Limestone. I successfully advocated for critical funding for projects at the Portsmouth Naval Shipyard for construction of an additional ship that will likely be built at Bath Iron Works. This funding will strengthen our national security and preserve great jobs in our state.

As chairman of the Transportation and Housing Appropriations Subcommittee, I worked to increase funding for the TIGER program that has provided Maine with more than \$122 million for vital transportation projects. For housing, I worked to provide \$160 million to help communities protect children from the harmful effects of lead poisoning.

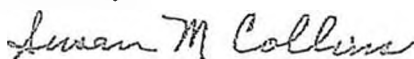
Growing our economy remains a top priority. I supported the comprehensive tax reform bill because it will help lower- and middle-income families keep more of their hard-earned money; boost the economy; and encourage businesses, both small and large, to grow and create jobs here in Maine and around the country. This legislation contains key provisions I authored that are important to Mainers, including preserving the deduction

for state and local taxes, expanding the deduction for medical expenses, and enabling public employees such as firefighters, teachers, and police officers, as well as clergy and employees of nonprofits, to make "catch-up" contributions to their retirement accounts. I led the effort to ensure that the tax cut will not trigger automatic budget cuts to Medicare or any other programs.

A Maine value that always guides me is our unsurpassed work ethic. As of December 2017, I have cast more than 6,500 consecutive votes, 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 office at 207-945-0417 or visit my website at www.collins.senate.gov. May 2018 be a good year for you, your family, your community, and our state.

Sincerely,

A handwritten signature in cursive script that reads "Susan M. Collins".

Susan M. Collins
United States Senator

ANGUS S. KING, JR.
MAINE

155 HARRY SEWELL GREEN BUILDING
04024-224-5304
Web: <http://www.AngusKing.com>

United States Senate

WASHINGTON, DC 20510

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

January 3, 2018

Dear Friends,

Representing Maine in the United States Senate is an honor.

I continue my work on the Senate Armed Services Committee, each year authorizing the funding required to build our military capabilities and ensuring that our service members are trained and equipped to defend our nation. I was pleased to be part of a bipartisan effort to enact a new law to simplify the appeals review process to reduce the backlog our veterans are facing, as well as a new law that provides critical funding to the VA Choice Program, allowing veterans in rural Maine to access services closer to home.

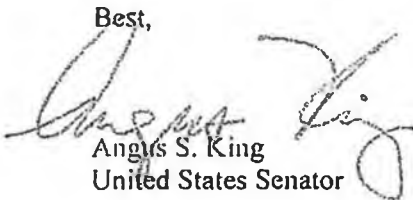
While my committee work is important, working to combat the opioid epidemic is one of my top priorities. Although Congress has made some important strides, much remains to be done to provide additional funding for prevention, treatment and enforcement. I am working with colleagues on both sides of the aisle to pressure the Drug Enforcement Administration to reduce the amount of opioids produced and to thwart the flow of fentanyl and other deadly drugs into our country.

I am very optimistic about the integrated, multiagency effort I led with Senator Collins to foster innovation and commercialization in Maine's forest economy. Through the Economic Development Assessment Team (EDAT) we are already experiencing increased federal investments that will strengthen our existing forest products industry and help support job creation in rural communities. Initiatives like Cross Laminated Timber, Combined Heat and Power, nanocellulose, 3D printing with biobased materials and other biobased products will mean that Maine's wood-basket will continue to be a major jobs and economic contributor for our future.

Finally, the coming year will continue the work of the Senate Select Committee on Intelligence in the ongoing investigation of Russian interference in the 2016 election. Our Committee has held seven public hearings and numerous classified sessions, reviewed tens of thousands of pages of documents and conducted hundreds of interviews. I remain focused on the security of our elections and committed to developing strategies to prevent interference by foreign governments in our democracy.

May 2018 be a good year for you, your family, your community and our great State.

Best,



Angus S. King
United States Senator

ARRISTA
4 Cabot Drive, Suite F1
Augusta, ME 04330
(207) 677-8292

BAFFORD
290 Eastern Street, Suite 2000
Bangor, ME 04401
(207) 948-0200

PRESCOTT ISLE
100 Academy Street, Suite A
Presque Isle, ME 04769
(207) 464-5124

SCARBOROUGH
305 US Route 1, Suite 10
Scarborough, ME 04094
(207) 661-8529

For more information, call 1-800-811-1100
Press 2 for the U.S. Senate

SELECTMEN'S REPORT

This was the Year of the Harbor. Even as the Harbor Planning Committee began its work in the summer of 2016, the Harbor Committee and the Harbormaster were working on a new, more efficient mooring plan, had plans to rebuild the decking on the Upper Town Dock pier and get new dinghy floats there, and planned to repair and widen the launching ramp at the Manset Town Dock. The mooring plan is still a work in progress, but the other three projects have been finished.

For many years the Town has wanted to acquire the "Hook property" adjacent to the Manset pier. This year it finally happened: the town got a commercial appraisal of the property, and we sent letters and photos to the owner to show how the property has long been important to the town's history and economy, and how it can enhance our future. Eventually the owner signed a purchase and sale agreement, and the voters at a Special Town Meeting in October authorized the purchase. The Harbor Committee is discussing long-term plans for the use and development of the property.

Concurrently, the Harbor Committee asked the voters to approve a moratorium on cruise ship visits, which passed unanimously at a Special Town Meeting in August. After considerable work a new ordinance banning the landing of passengers from ships with overnight accommodations for 50 passengers or more is ready to be placed before the voters on the May, 2018 ballot.

The Harbor Planning Committee continued its work and sent a final report to the Select Board in March, 2018 that is available on the town web site and in the town office. Some of its recommendations have already been implemented: benches and/or picnic tables at town piers and at some rights-of-way so people can enjoy harbor views, more dinghy space at the Upper and Lower Town Docks for summer 2018, longer parking times at or near the Upper and Lower Town Docks. Some recommendations, like additional parking and dinghy space near town docks to implement a more efficient mooring plan with more moorings, still need to be accomplished.

Other town issues that are currently under discussion include rebuilding the Pemetic playground, and parking near the town center, including the Post Office lot. We are engaged in a search for a new Town Manager, and the town will build a new town garage with solar panels on the roof to defray electric expenses. We are watching what the State does with respect to retail marijuana establishments; voters who want local control need to let town officials know what they are thinking.

Coming up this year are paving projects in late spring or early summer (Fernald Point Road, part of Shore Road, King's Lane, Village Green Way and parking, etc), with more major work (including water and sewer) on Claremont Road, Clark Point Road from Main Street to Herrick Road, and perhaps the lower Clark Point Road area. Most of the sidewalk/bike lane work on Main Street from the Village at Oceans End to past Apple Lane has been postponed until 2019, but tree removal and utility pole relocation can begin this summer.

As always, managing the financial health of this community is a balancing act between providing services that are required by law or desired by residents and keeping the tax rate under control. There are no easy answers to housing that young working families can afford, to creating more local jobs, or to funding the delayed road, water and sewer projects in our town.

Our tradition of home rule and local control only works when residents are engaged, informed and ready to help. We rely on many volunteers and non-profit organizations to do work often covered by taxes elsewhere. We thank all the volunteers who have served our town in various ways this year, and we ask for volunteers of all ages and kinds of experience to step up. Our new web site southwestharbormaine.org describes a variety of ways to serve the town at various levels of involvement. We also invite you to sign up for Polco, our citizen opinion poll on town issues at polco.us/southwestharbor. You will be asked for your name and email when you register so the survey can keep responses anonymous, yet separate registered voters from others and only allow one response per person on each question.

The Select Board thanks town employees and volunteers for their service and dedication this year, with particular thanks to Mike Faulkingham who kept the snowplows running while Scott Alley was on medical leave after an accident, and to Acting Town Manager Marilyn Lowell, who kept town affairs under control during Don Lagrange's three-month medical leave. Town Manager Donald Lagrange will be retiring from that position at the end of June; we thank him for his seven years of service to our town.

In order for Southwest Harbor to thrive, we need informed, involved residents who can discuss priorities courteously and with an eye to what is best for the town as a whole.

Respectfully submitted,

Lydia B. Goetze and Dan C. Norwood, Select Board Chairs

TOWN MANAGER REPORT

In appreciation of all residents who have been supportive to a better and more proficient local government, I sincerely thank you. The Board of Selectmen during my tenure as Town Manager have been proactive with changes, primarily to the water and sewer departments that were both technically and operationally deficient, supporting the creation of a District with the approval of the voters, to oversee the development of operating efficiencies and equipment upgrades. District Manager Steve Kenney was given what could have been an insurmountable task, however his experience and dedication will contribute to the reorganization of these utilities in the best future interest of Southwest Harbor.

While on the subject of the Board of Selectmen, it must be mentioned of the difficulties they all encounter to satisfy the needs of the community, the differences of opinions and the many constituent requests to sway one direction or another. They then must come to a consensus to progress in the best interest of the community. Many times, tasks which should be acknowledged and appreciated, go without consideration. I have a front row seat to their challenges and am grateful they choose to lead Southwest Harbor.

Finding the right staff for consistency and dedication has come to fruition with the recent addition of Deborah Clark as Administrative Assistant. In conjunction with Assistant Manager/Clerk Marilyn Lowell and Administrative Bob Salsbury, the Town office couldn't be in better hands. Chief Alan Brown should be commended for his outstanding job reorganizing the Police Department and the current staff of police officers and dispatchers whom are the most capable and dedicated that our community has seen in many years. Unfortunately, Ben Harper who was the cornerstone of dispatch, retired this past year.

While promoting consistent harbor practices, Harbormaster Adam Thurston has balanced the needs of the harbor, the requirements of enforcement and the maintenance of three piers in a very conscientious manner. It should be noted the expansive requirements of harbor oversight is beginning to tax a single operator and harbor reorganization should be a priority.

Lastly, the efforts of Scott Alley and Mike Faulkingham of the Highway Department are outstanding in keeping this Town in good shape. From snow cleanup to spring cleanup to summer maintenance, Scott and Mike have taken on the responsibility with their own initiatives to be proactive. Where it is the most evident is snow removal, outdoing most communities and especially the state roads. They deserve special recognition for their efforts.

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 2017, the following licenses were issued:

Hunting and Fishing Licenses Issued: 309

Dog Licenses Issued:

Males/Females	8	Neutered/Spayed	73	Service	0
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Recreation Vehicle Licenses Issued:

Boats: 395	ATV's: 68	Snowmobiles: 51
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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: 12

Birth Records Received: 20

The Town Officials and Staff would like to give their condolences to the families and loved ones, for the loss of 27 Southwest Harbor residents during 2017.

Alley, Arthur E.	8/7/2017	Myers, William R.	3/23/2017
Bracy, Barbara A.	2/8/2017	Newman, Thomas H.	4/1/2017
Delehanty, Margaret M.	11/24/2017	Noyes, Marion F.	3/24/2017
Dittmar, Masako	1/31/2017	Quackenbush, Winifred B.	9/15/2017
Dyer, Kevin J., II	9/11/2017	Reed, Wesley E.	3/24/2017
Gallagher, Richard D.	2/19/2017	Russell, Juliann	4/12/2017
Gilley, Marguerite	1/5/2017	Sauve, Michael J.	3/14/2017
Hamlin, Philip E.	3/22/2017	Stettner, Francine G.	2/23/2017
Holmes, Constance L.	5/3/2017	Stettner, Laurence J.	5/1/2017
Jellison, George M., Sr.	3/17/2017	Thurston, Eugene S., III	6/13/2017
Kenway, Edward N.	3/10/2017	Willging, Pamela J.	12/16/2017
LaPlante, Estelle C.	9/27/2017	Worcester, Dorothy R.	2/3/2017
Matthews, Marylou T.	3/18/2017	Young, Mary Anne	11/29/2017
Mays, Andrew S.	12/28/2017		

Respectfully Submitted,

Marilyn J. Lowell, Town Clerk

POLICE DEPARTMENT

I would like to thank the town officials and citizens of Southwest Harbor for the support the police department has received over the past year.

Officer Levi Soper graduated from the 32th Basic Law Enforcement Training Program in May 2017. 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 Colt Bernhardt, a full-time certified law enforcement officer, joined the police department in June of 2017. Officer Bernhardt is a former prison guard, former Franklin County Sheriff's Deputy and worked for the Gouldsboro Police Department. Officer Bernhardt brings several years of training and experience to the department.

Dispatcher Ben Harper retired from the Southwest Harbor Police Department in June of 2017 after 37 years of dedicated service to the citizens and visitors of Southwest Harbor. I have known Ben for my entire law enforcement career and find it very fitting that the town officials have dedicated the town report to him.

In the past year, the Southwest Harbor Police Department was dispatched to nearly 1500 calls for service, including but not limited to, unattended deaths, domestic violence offenses, drug crimes, OUI's, thefts, burglaries and motor vehicle traffic crashes. In addition to responding to criminal complaints, we also assist at fire and ambulance calls as well as address traffic violations and parking issues. The police department issued over 300 traffic & parking related citations and conducted nearly 500 traffic stops. 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 forms are also available on our website at www.swhpolice.com.

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. Medicines that languish in home cabinets are highly susceptible to diversion, misuse and abuse. Last fall, the State of Maine turned over 41,700 pounds of prescription medication, the most of any New England state. For more information and complete results for DEA's National Take Back Day visit www.deatakeback.com. The police department still 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 as well as our partnership with Principal Fortin and the Pemetic staff to ensure our community stays safe.

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. We are here to serve and protect the citizens and visitors of Southwest Harbor and any help is greatly appreciated.

Chief Alan Brown

SOUTHWEST HARBOR FIRE DEPARTMENT

The fire department responded to 104 calls for assistance in 2017. Thirty-seven were for activated alarms, eight were for motor vehicle accidents, eight were structure type fires, five were carbon monoxide issues, along with various other types of calls. There were eleven calls for mutual aid in the area. During one hot August afternoon firefighters were called to a burning structure in Manset. Some of the fire was quickly knocked down from the outside by the small crew. Before long, mutual aid from Tremont, Mount Desert and Bar Harbor arrived and provided assistance in helping find hidden fires and completing the extinguishment. The MDI mutual aid continues to be an extremely valuable part of many of our emergency calls.

Early in the year firefighters Hugh O'Shields and Alex Bernier attended ice/cold water rescue training at the Franklin FD while others did the same training during the winter with Mount Desert FD firefighters. In April, many MDI firefighters trained together in an old acquired structure in Bar Harbor. Firefighter Ronald Sanborn was a pump operator, Captain Lynne Brown and Firefighter Jim Daigle fought interior fires and Lt. Jenn Martel set up and ignited the six live fire evolutions during the morning before burning the structure down. In May SWHFD hosted a two-day basic pumps class instructed by Maine Fire Service Institute's instructor Chris Connor. SWHFD also hosted a two-day aerial ladder training class in October by Tri-County Training instructors.

The Fire Department was still very fortunate to have USCG members in town and willing to be part of the fire department and help the community.

The Southwest Harbor Junior Firefighters continued to be busy during the year and raised money to purchase nine-volt batteries for smoke detectors and delivered them to many of the town's elderly residents.

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 proved 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.

On September 11th, Southwest Harbor Fire Department recognized the day with two large banners mounted onto Engine 113. In the morning the fire truck drove around the town so people could see the banners and remember that time from many years ago. Firefighters were met by the awesome sight of waving Pemetic school students standing beside the road as they drove through the center of town. During the afternoon some other firefighters did a second trip around the town.

In October an Open House was held at the fire station. There were exhibits, food and demonstrations.

The four Fire Chiefs on Mount Desert Island regularly meet to discuss a variety of subjects including Mutual Aid, communications, apparatus and equipment purchases and combined trainings.

The Chief continues to represent the fire department at the quarterly MDI Partners meeting held at the USCG base.

We still have smoke detectors. If anyone needs a smoke detector for their home, they should contact a firefighter who will arrange for you to get a new detector.

Thank you to the Southwest Harbor dispatchers and police officers for their assistance with the fire department's emergency incidents.

A special 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

The Highway Department paved part of the Shore Road from Manset Town Dock to Mansell Lane. The Town should get another ten years of life at which time this section of the road will need more upgrades to sewer, water drainage as well as perhaps adding a sidewalk.

The lower end of Long Pond Road near the water pumping station was rebuilt with a new curb and paving to help prevent erosion on the steep hill.

Road side brush along Long Pond Road, Herrick and part of Hillcrest Circle has been removed with the continuation in the spring in preparation of upcoming infrastructure construction recommended by the Infrastructure Committee and approved by the voters.

At the last Infrastructure committee meeting, they agreed to finalize road work projects nearing completion of the plans to be sent out to bid. Emera and Fairpoint will be working on parts of Main Street this summer replacing utility poles in preparation for the sidewalk project slated for 2019.

I would like to thank the Town Manager who is stepping down in June, for all his hard work and guidance over the years and always willing to help out when we were short-handed and look forward to still having him here for input in his new old job as CEO.

And most importantly, I would like to thank the Select Board for keeping it all working.

Respectfully,
Scott Alley
Road Foreman

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

The number of plumbing permits in 2017 totaled (36) which included twenty five internal permits and eleven septic system permits resulting in a total revenue of \$5,820. This is a decrease from the previous year high of 49 or \$9,105 in fees.

Building Permits

Building permits for the 2017 tax year of April 1, 2017 through March 31, 2018 totaled (65) permits. The stated value of all permits reported decreased from the previous year to \$5,353,260, from \$6,596,731 which was the result of one new home value in 2016 at \$3,042,731. Permit fees totaled \$23,658.00

Permits Issued

Garages/Barns	9	Misc	5	Accessory Structure	5
Fill	4	Remodeling	4	Commercial	3
Additions	5	Signs	2	Driveways/roads	3
Utility Buildings	6	Decks/Porches	5	Piers	1
Single Family	10	Apartments	0	Demo	3

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

Upper Town Dock

The town received 3 bids for the Upper Dock replacement and chose Chalmers Enterprises to complete the project. The project scope consisted of constructing a new 86 foot walkway with stairs, rails and decking on the existing support pilings. The frame and rails for the pier were built out of aluminum and composite decking was used for the walking surface. The handrail on the pier is a continuous welded rail to ensure comfort and safety when on the pier. The end of the pier features a 12X12 deck with a seating area. The aluminum and composite construction will ensure the pier can be useful for many years with minimal maintenance required. Along with the new pier, a hand rail and bench were constructed on the west side of the Upper parking lot to give visitors an opportunity to sit and view the harbor activity.

Last fall bids were taken for the construction of 10 new 6X20 finger floats for the Upper Dock. Wid Minctons of Charles Bradley construction won the bid. The floats will replace the current 8 floats used for dinghy tie ups. The floats are pressure treated frames and decking with durable plastic tubs for flotation. These floats will increase our space for dingy tie ups which is necessary for our growing harbor.

Manset Town Dock

The Manset boat ramp expansion project was completed in the early summer of 2017. The project consisted of a repair of an existing section of ramp, and a widening of the ramp surface to help alleviate congestion at the site. The ramp was widened 10 feet at the head and 20 feet at the base. This will enable multiple vessels to be launched or taken out at the same time, and it creates a larger landing area for barges to load and off load.

The Manset Hook Lot has long been the main focus of the harbor committee for future development of our harbor. Last year we were able to establish contact through select board member Lydia Goetze who contacted the owner Carolyn Hook. The town was then able to buy the property and ensure the growth of the Manset dock for commercial and recreational users.

Harbor Management Plan

A new Harbor Management Plan has been created with help of the Harbor Planning Committee and the Harbor Committee. The primary goal of this project is to focus on future development opportunities, to establish what our current resources are, and how to utilize them properly. The proposal has three main parts which will help in planning and decision making. It identifies the harbor resources and provides an overview of the existing conditions within the harbor. This includes overview of the harbor uses and users, public access points, mooring areas, shoreline zoning, natural resources and other features. The proposal includes documents on specific issues that were identified through an analysis of the harbor resources and provides several recommended actions to help address those issues. The proposal also contains supporting documents including a summary chart of action items and maps showing highlighted areas.

Thank you to the Harbor Committee and especially to our long time member and chair Andy Mays who lost his battle with cancer this year. Andy will be missed but not forgotten.

Respectfully Submitted,

Adam Thurston, Harbormaster

PLANNING BOARD

The Planning Board objective is to review and administer the Land Use Ordinance of Southwest Harbor. Together with the Code Enforcement Officer we continually try to inform and guide applicants through the permitting process to make our LUO as user friendly as possible. We also continually review our ordinances to try to meet the changing needs of the residents of Southwest Harbor. The Planning Board welcomes any input, comments and needs from the public.

During 2017, a few of the applications that The Planning Board reviewed are listed below.

- 1) Cody's Woods Subdivision for abutter's conveyance. Applicant James Norwood.
- 2) Gott's Store 16'x30' addition for increased retail space, Bass Harbor Rd.
- 3) Weldon Leonard, construction of 28'x 32' lobster trap storage and work shop building.
- 4) Application to amend Subdivision to combine multiple lots under common ownership.
- 5) Talaria Company (Hinckley) to construct a 78'x 250' accessory building 130 Shore Rd.
- 6) Acadia Family Center to construct 1 ½ story addition to existing structure, Fernald Pt Rd.
- 7) Michael Forbes rebuild and relocate a non-conforming structure to greatest extent.
- 8) Rosecliff LLC, 114 Shore Rd. to relocate and reconstruct non-conforming structure.
- 9) Two story office addition to existing boat storage and maintenance 298 Seawall Rd.
- 10) Subdivision application for William Patten, 291 Main St LLC.
- 11) Vertical Bridge Development LLC for a 195' communications tower, located off Buttermilk Brook Rd.

I would like to thank our board members for their continued work and involvement to serve our community. Also many thanks to the town office staff for all their assistance to insure that our jobs are properly scheduled and prepared.

Sincerely

Mike Magnani
Chairman

SOUTHWEST HARBOR WATER & SEWER DISTRICT

Honorable Board of Selectman,

I am pleased to submit the annual report for the Southwest Harbor Water & Sewer District.

The District has had a busy year making improvements in infrastructure, treatment and administration programs. Our goal is to keep our operating costs as low as possible and still supply potable water to our customers and a clean discharge into our harbor. We have spent a great amount of time to maximize the efficiency of our employees, procedures and finances.

2017 Major Projects:

Repairing / replacing the raw water intake line at Long Pond; - The old section of the intake line for our drinking water had broken. We replaced it with a solid high-density plastic line to prevent this from happening in the future.

Wastewater Lab- infusion of new and replacement equipment.

Water Plant Improvements; We replaced all the filter media, control valves and made repairs to the Filtration System. We can now use all 4 filters simultaneously or individually offering us energy savings from this flexibility.

Equipment Upgrades/ Repairs- The 1999 Water truck was replaced. Sludge pumps were replaced at the Wastewater Plant.

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. We have currently received 9 grants or grant / loans. Grant monies for 2017 total over \$30,000.

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

Office Manager- We hired an Office Manager and have a new Office beside the Town Offices at 26 Village Green Way.

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 – 2 years on the job, 34 years in the municipal Water & Wastewater industry.

Water Plant Chief Operator

Allan “Snap” Willey- 38 years on the job- 20 as a Chief Operator

Wastewater Plant Chief Operator

Thomas Farley- 1 year on the job, 27 years in Wastewater Treatment

Utility Technician

Josh Conary- 1 year on the job with 3 years in septic industry, 3 additional years in maintenance.

Office Manager

Michelle Novak- 1 year on the job, 21 years of office experience

The District's 2017 Audit is not completed yet, but below are our uncertified operating figures;

WATER

Operating Revenue	\$689,658.34
Operating Expenses	(\$435,750.14)
Bond & Interest	(\$133,523.18)
Difference	\$120,385.02

SEWER

Operating Revenue	\$560,527.60
Operating Expenses	(\$471,824.49)
Bond Interest	(\$80,719.00)
Note to Town	(\$37,500.00)
Difference	(\$29,515.89)

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

Board of Trustees (expanded from 3 to 5 members in 2017)

James Geary – Chairman
James Vekasi- Treasurer / Clerk
Donald LaGrange – member
Lee Worcester – member
Ralph Dunbar - member

During the 2016-2017 school year, MDIRSS educators continued to focus on quality implementation of standards based teaching and learning. Specific emphasis on Math and Reading instruction contributed to better Maine state assessment results in four of our five driveable K-8 schools in both math and reading. There were improvements in the overall percentage of students who met the standard in all K-8 schools, and in science at the high school, and our schools scored far above the state average at almost every school in math, reading and science. Student enrollment across MDI schools has shifted some but stayed mostly steady. MDI Arts, Robotics and Athletic teams received state accolades. We held community forums in all MDIRSS communities to solicit feedback on our schools and discuss strengths and challenges of how the AOS operates. While we recognize there is always more to be done to address the needs of all of our learners, we feel that the combined efforts of MDIRSS educators are contributing to continuous improvement in our educational program at all levels.

Big Picture

Looking Back (September 2016 to August 2017)	Looking Ahead (September 2017 to August 2018)
<ul style="list-style-type: none"> Improved building safety and security across the district and completed identified capital improvement projects. Completed phase 1 of Department of Education Special Education Program Audit. Developed 11 budgets approved by the boards that oversee them as well as town councils; completed successful annual audit process. State, federal and local grants submitted and approved Explored 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. Continue to strengthen integrated Science, Technology, Engineering and Math (STEM) programming K-12. Complete Long-Range Planning Process with community visioning and input from stakeholders. Complete final phase of Department of Education Special Education Program Audit. Improve communication and collaboration with stakeholders.

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 2016 to August 2017)	Looking Ahead (September 2017 to August 2018)
<ul style="list-style-type: none"> Improved student achievement in math and reading in K-8 schools. Obtained approval for Marine Service Technologies satellite CTE program and expanded the Island Pathways Program to a second year. Added AP course in Environmental Science Expanded hands-on science, place-based and service learning throughout the district. Implemented standards-based tracking and reporting in all classes 6-12. Obtained \$65,000 grant for Active Learning Center to support Design Thinking classes at the high school. Added a teacher to the MDI Adult Education Program, a full-time clinical counselor at the high school, and increased social work services at Conners Emerson. 	<ul style="list-style-type: none"> Provide instructional staff with strategies for addressing the needs of students with anxiety Implement new reporting system and standardize report cards Continue to plan and implement STEM initiatives Develop and begin to implement a district-wide arts-integration initiative Add third year to Island Pathways program Implement student representation to the MDIHS Board Increase the content areas and grade levels where project based learning occurs. Significantly strengthen the Response-to-Intervention (RTI) program in all MDIRSS schools, K-12. Integrate and expand use of Design Thinking in conjunction with high school classes.

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 2016 to August 2017)	Looking Ahead (September 2017 to August 2018)
<ul style="list-style-type: none"> Implemented new standards-based curriculum, assessment, instruction and reporting initiatives leading to proficiency-based diplomas. Improved math and reading instruction. Provided professional development related to health, wellness and mindfulness. Increased the amount and consistency of information related to instruction and assessment available to teachers on the district website. Provided responsive teacher professional development and time for teacher collaboration. Provided mentoring for more than 20 new teachers across the district. Implemented team planning time in all schools. 	<ul style="list-style-type: none"> Strengthen the use of data to inform instruction. Continue to strengthen standards-based curriculum, assessment, instruction and reporting. Increase amount of instructional coaching, including use of video, and continue the emphasis on effective instruction district-wide. Successfully implement a Math Workshop model in K-5 classrooms. Confirm and implement a full set of curriculum aligned common grade level field trips and opportunities. Provide teachers with ongoing support to implement project-based, place-based teaching and learning. Provide timely feedback to teachers based on individual and school-wide goals.

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 enable us to think differently about course delivery, communication, professional development, resource sharing and infrastructure upgrades. Our communities offer 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 2016 to August 2017)	Looking Ahead (September 2017 to August 2018)
<ul style="list-style-type: none"> Streamlined review and approval process to facilitate consistency in all AOS policies. Held community forums in all MDIRSS communities and solicited input to inform long range planning. Implemented single Community-Based Health Insurance Rating in lieu of local pools. Streamlined and implemented consistent safety protocols across MDIRSS schools. Completed a safety and security facilities review; most schools upgraded security infrastructure. Completed major renovations to the high school and building upgrades at several schools. Completed MDIRSS hiring procedure manual. Continued to make data-informed decisions and aligned resource allocation appropriately. Held meetings with food service and custodians to network and consider further efficiencies. 	<ul style="list-style-type: none"> Implement MOUs with all Education Partners and formalize Education Partnerships. Seek to implement cooperative initiatives among schools and towns to improve efficiency and effectiveness. Provide each MDIRSS employee with a personalized annual total compensation report. Develop and implement MDIRSS financial procedure manual. Investigate DocuSign to streamline voucher approval process. Undertake a comprehensive review of job descriptions and develop an employee handbook. Develop and share Long Range Planning Report and Recommendations and explore cost-benefit analyses and return on investment of priorities with AOS Board. Complete a collaborative and successful collective bargaining process. Explore and evaluate sustainability initiatives district-wide.

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 Elementary School Principal's Report March 2018

Over thirty years ago I left Southwest Harbor to live in Southern Maine. I am so proud and thankful to be back. Just as it was when I was a student here, Pemetic Elementary School is warm and welcoming, devoted to providing the best education for each, individual student.

During the 2017-2018 school year, Pemetic Elementary School continues to focus on standards-based teaching and learning. Our Action Plan goal areas are reading, math, school-wide culture and Response to Intervention. Data is collected on each goal, helping the staff reflect collaboratively on school improvement.

An important area of focus this year has been school climate and fostering a strong sense of community within the school. Each fall, younger students are paired with an older buddy. Each month, school-wide buddy activities take place to ensure positive connections between the grades. Students look forward to the buddy activities. It is not unusual to see a sixth grader getting a hug in the hallway from their first grade buddy.

Pemetic is fortunate to be located in a beautiful part of the state, close to Acadia National Park. This proximity allows for place-based education and real-world learning opportunities for students. This year, Pemetic partnered with Island Readers and Writers to provide students with books from which students selected Mock Newbery Award winners on the same day the actual awards were announced. Students learned about science at Jackson Lab and toured the University of Maine's Aquaculture Research Center located in Franklin. Bar Harbor Banking and Trust employees provided lessons for our second and fourth grade classrooms on banking and the Hancock Sheriff's Department provided an updated DARE program for our sixth grade students.

The PTO has been very active this year, supporting our students in a variety of ways. At Thanksgiving time, the PTO hosted a Thanksgiving lunch; the entire school went to the Legion Hall and ate together with their buddies. In December, the PTO brought us The Nutcracker performed by Robinson's Ballet. In March, the PTO held a Read-a-thon in celebration of Read Across America, raising over \$1,000 to fund some of the special programs and events happening at Pemetic. A new batting cage will be installed this spring, paid for with funds from the PTO.

The Catherine Johnson Fund continues to support students by allowing for new and varied experiences. The kindergarteners learned about natural fibers and made crafts. The second graders learned about authors then choreographed and performed a dance connected to their author. Grants have also been awarded for after school art and technology programs and field trips outside the state.

Pemetic is partnering with the Town and area businesses to rebuild the Southwest Harbor Playground. Thank you to everyone who has been involved in this project over the past few years. We are excited to see this vision move closer to reality.

Providing a secure school where students feel safe has been another focus this past year. Students need to feel comfortable and safe in their environment in order to learn effectively. Pemetic appreciates the partnership with Chief Alan Brown and his officers from the SWH Police Department. It is not uncommon to see a police officer walking around the school, making positive connections with students and staff. Chief Brown, Chief Martel and the Hancock County Sheriff's Department have been valuable resources for our evacuation and lockdown drill procedures. In a fall survey on school climate, students identified these drills as one of the main reasons they feel safe in our school.

Pemetic students have many choices for extra-curricular opportunities such as sports teams, music ensembles, and academic extensions. Middle school students also have an activity period each Monday. This provides time for students and staff to get to know each other through common interests and hobbies.

Thank you to the families and community of Southwest Harbor for supporting the students and staff at Pemetic!

Respectfully submitted,

Rhonda Fortin
Principal, Pemetic Elementary School

CONSERVATION COMMISSION

The Conservation Commission for 2017-2018 is composed of 6 voting members, 5 associate members, and the Tree Warden:

<u>Voting Members:</u>	Susan Reiff Allen	Jane Ayres, Treasurer
	Francine Mayhew	Eleanor Park, Assistant Tree Warden
	Ellen Scull	
	Ann Ratcliff	
<u>Associate Members:</u>	Dan Norwood (ex officio)	Jeff Dutra, Tree Warden
	Barbara Amstutz, Summer Member	
	Ann Judd, Secretary	Melissa Frost

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 the 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.

The Veterans Park is in the middle of town and offers passive recreation for those who want to view the beautiful monument listed with names of the veterans of conflicts between 1905 – 2005. Each year on Memorial Day a ceremonial wreath is placed at the memorial to honor the veterans who served in those wars.

In 2017, the Charlotte Rhoades Park and Butterfly Garden was maintained by Master Gardeners and other local volunteers under the supervision of Ann Judd and Martina Dittmar on Thursday mornings throughout the season. Over 650 hours of volunteer labor were donated to the Park in 2017. Informal gardening classes were offered to the public during the spring, and the Monarch Waystation Program was in full swing from June-October. For the first time in many years, observers saw Monarch butterflies migrating to Park in June, and increasing numbers of Monarchs were sighted throughout the season and during tagging from August-October. Over 300 Monarchs were tagged prior to their migration with the help of participating schools and local libraries. There were several private events including weddings, bridal and baby showers and memorial gatherings during the season. The annual public butterfly release benefit took place on July 27th, and school field trips took place in September. Due to increased deer predation, fencing was installed around the perimeter of the park which helped to protect the plantings.

The date for the 2018 Butterfly Release benefit will be **Thursday July 26th 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 is grateful to our resident volunteers and Master Gardeners for their amazing commitment to help maintain the Rhoades Park during the summer months. We are also appreciative of the help of the Southwest Harbor Public Works Department and the assistance of Town Manager Don Lagrange.

Respectfully Submitted,

Ann Judd, Secretary

SHELLFISH CONSERVATION COMMITTEE

This was an especially significant year for the soft-shell clam resource of Southwest Harbor and its Shellfish Conservation Committee, a group of volunteer local residents charged by the Board of Selectmen with managing it under an ordinance enacted under terms of Maine State Law and approved by its Department of Marine Resources. To understand the significance of this year, it is important to understand some recent local history and reflect on current problems and potential solutions.

Committee History

As of 2000, the Town of Southwest Harbor had no local ordinance for managing its clam resource. Because of that, clam harvests were subject to the terms of Maine State Law which required a state commercial license to dig in any flats not closed for public health reasons, imposed no limit on commercial harvest from such open flats other than a general minimum size of 2 inches, and allowed people to take up to 2 pecks of clams for personal use (no sale). This regime had served the town fairly well for about 25 years during which its most prolific clam flats from Fernald Point to Norwood Cove and the North shore of Greening Island had been closed due to local overboard discharges. By 2000, the elimination of those discharges had improved water quality to the point that the State Department of Marine Resources (DMR) determined that they could be opened to clam digging. Unfortunately they did so without informing the town that it would happen, and we were faced with the equivalent of a gold rush in the late fall of 2000 and early winter of 2001. Our most biologically productive clam flat, Fernald Cove, had been closed for about 25 years and had enormous clam populations that were suddenly available for the taking, and the taking commenced. By early spring, hoards of diggers had turned the cove over and essentially depleted the resource and angered lots of local residents who resented the crowds and bemoaned the lack of good resource management that had produced this situation. With the support of the Board of Selectmen, a few local citizens drafted a local ordinance which was approved by the voters and which established a local committee to manage our local clam resource.

We were very lucky that dedicated local residents volunteered to serve on that initial committee. Richard and Lorraine Stanley were instrumental in getting the program off on a proper foot and had a great sense of the history and proper use of the resource. Andy Mays was an essential member of the first committee – not only was he experienced in clam digging, but he was also a former Coast Guard enforcement officer, and he volunteered to be our clam warden – the program would have been disapproved by DMR without a warden.

Richard and Lorraine had to resign after a few years because they moved to Tremont and were ineligible to serve. We miss them still, but they did help to secure the future of the committee when they talked Clayton Strout into serving – and he did so for many faithful and fruitful years. During these years, Andy ensured the future of the program by talking to Bill Carroll and George Jellison, Jr. who also agreed to serve and have been invaluable members of the committee. George had to resign when he was elected to the Board of Selectmen but remains vitally interested in shellfish management and is our designated board contact. We have recently

welcomed the addition of our harbormaster, Adam Thurston, who not only serves on the committee but has also been certified as the Town's 2nd shellfish warden. Then, in late 2017, John Stanley volunteered to serve on the committee, assuring that we had a quorum of experienced and dedicated local residents to manage its clam resource. Through all of this time, Andy Mays has been an active committee member and often our only warden charged with enforcing our ordinance.

On December 29, 2017, Andy succumbed to a cancer that he had been fighting with uncommon persistence for several years. To say that we will miss him is a monumental understatement. Understatement or not, we say, "Andy, we will miss you!"

Then, on February 20, 2018, Bill Carroll died. Again, it is an enormous understatement that needs to be explicitly stated: "Bill, we will miss you!"

We think that it is important to document the impact that two dedicated volunteers can make, and we think that it is important to celebrate the efforts of these two principled individuals.

Current Problems:

1. In order to prevent illegal commercial exploitation of this resource, adequate enforcement presence is required, but the annual license fee income (about \$600) is inadequate to hire a part-time warden with adequate time available to provide effective deterrence. The committee has tried to manage this program without adding to the local tax burden and has engaged several different wardens with adequate authority and training but inadequate availability to devote the necessary time and, most importantly, not available to respond to emergency requests for enforcement.
2. Our ordinance establishes the committee with a maximum of 7 members and requires agreement of 4 members to take any action or to make any recommendations. For most of the last dozen years there have been only 5 members, but for the last few years, there have been only 4 – obviously requiring all to be present to conduct any business and all to agree to take any action. We have been fortunate in that dedicated members have been available and discussions have culminated in consensus. The loss of Bill and Andy has left us with only three members and means that we are unable to conduct business.
3. Although there was general agreement in 2001 that we needed to establish additional resource protection beyond the general minimal requirements of state law, there was not much interest in active participation to administer the program, and that burden has fallen on too few people.
4. State law imposes substantial administrative costs and requirements for active enforcement on the town, but the Maine State DMR is precluded from assisting in enforcement of the local ordinance.
5. In comparison to other coastal towns with thriving local shellfish management programs, we have only a very limited resource, about 100 acres of open flats.

Potential Solution:

In order to continue this local shellfish management program, we need to accomplish the following:

- A. Restore the committee by recruiting 3 or 4 members willing to play an active role in managing the resource.
- B. Restore and maintain a viable enforcement presence to prevent illegal digging. This can be done by using qualified volunteers who would have to be nominated by the town and trained and certified by DMR. Alternatively, some of the funds in the shellfish account could be dedicated to payment of part-time enforcement officers. Other nearby towns with active shellfish programs should be approached to see if they have an interest in sharing wardens with each town participating in payment according to a mutually acceptable allocation of expenses.

Current Status:

In 2017, 35 people were licensed by the town, resulting in \$720 in revenue and producing a balance of \$6642.33 in the dedicated shellfish management account. The resource is in fairly healthy condition and should dependably produce a peck of soft shell clams for personal use. No commercial use is authorized.

There has been an increase in state mandated closures due to harmful algae blooms resulting in high biotoxin concentrations. This will likely result in increased temporary closures, particularly in warmer months, in future years. There is little or nothing that the town could do to prevent those closures.

Respectfully submitted,
Jim Colquhoun, Chair
March 4, 2018

HISTORIC CEMETERY COMMITTEE

The Southwest Harbor Historic Cemetery Committee (appointed by the Selectmen in 2016) is charged with fostering the protection, preservation, and appreciation of our 11 historic community burying grounds. Many of these cemeteries have been abandoned and neglected; they all need work and are the focus of the committee's restoration efforts.

Current committee members are: Lynne Birlem, Wayne Gilley, Patty Pinkham, Chad Terry, Joan Terry, Kathe Walton, Natasha Watson, Aimee Williams

Our committee has chosen The Old Burying Ground as our first restoration project. This cemetery, located on the High Road, was the first public burying ground on Mount Desert Island.

When this land was set aside as a cemetery, it was 'a sunny hillside.' Now it is filled with tall trees, mostly poplar. Gravestones have been toppled, broken, and overgrown with roots. Any restoration of this cemetery would need most of the trees to be removed. This initial expense would be followed by repair of gravestones and leveling the ground.

Our committee continues to visit all historic cemeteries in Southwest Harbor. We notice any damage and repairs needed, look at the access issues, and gather stories and genealogical information. We hope to improve the condition of these cemeteries, so they can be visited and respected for years to come.

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, meeting dates and times are posted on the website, at the town office, and at the post office.

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 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 \$4,139,821.00 in 2017.

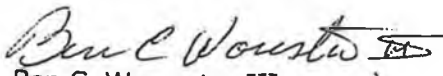
The Town of Southwest Harbor Housing Authority is very grateful for the continued support it receives from the Southwest Harbor Town Office, from the Police Department, the Fire Department, and the Public Works Department of the Town of Southwest Harbor. All help us to reach our objective of providing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

Payment in lieu of taxes to the Town of Southwest Harbor for 2017 is \$12,345.00

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,
Southwest Harbor Housing Authority
Commissioners Board Chairman



Town Report Letter 2018

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 72% 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. We continue to collaborate with other area organizations for game play and in 2017 we enhanced our basketball program through collaborative efforts with the high school varsity teams and Acadian Youth Sports.

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 25th Annual 2017 Great Harbor Shoot Out was once again very successful. 84 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 77% 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- \$55.00 depending on the sport and the length of the session.

Sincerely,

Ingrid Wilbur Kachmar
Executive Director



Southwest Harbor Public Library

Annual Report 2017

It is hard to believe that this will be my last Library report, at least it is hard for me to believe. I have been working at the Library since 1989 and am finally retiring. These almost 30 years have brought me immense joy. I started as a volunteer, then became one of the first Children's Librarians to be hired in Hancock County, then became Director. I had the joy of initiating a day time story time, which is now a staple with several offered every week both in the Library and other locations. I had the delight of starting the summer reading program, which is now more active than ever. I had the fun of developing new programs, like introducing Jeff Moss, the creator of Oscar the Grouch and Cookie Monster of Sesame Street to the community. I had the challenge of judging almost 700 children's book for the Golden Kite Award from the Society of Children's Book Writers and Illustrators. I had the satisfaction of working closely with the teachers and students at Pemetic Elementary School. I had the honor of working with the building committee on the 2000 Library expansion. I had the privilege of being selected by the Maine State Library to attend national conferences. None of this would have been possible without community, trustee, and staff support. Through the years I have met wonderful patrons, worked with incredible volunteers and trustees, and had the privilege of standing side-by-side with the most amazing staff.

In 2017 we began offering monthly AED/CPR hands-only classes through the Maine Cardiovascular Health Council and the Maine Care Development Public Health Rural Access to Emergency Devices Grant Program. We introduced the Digital Archive - an online catalog of thousands of historic photographs and the stories behind them that can be accessed online from anywhere. We offered a variety of programs with speakers like Senator George Mitchell, Maine State Librarian James Ritter, authors Tess Gerritsen, Christina Baker Kline, and Joe Coomer, and Maine Poet Laureate Barron Wormser. We rewrote our strategic plan, which will take us into the future. We partnered with organizations like Acadia Family Center, Mount Desert Island and Maine Coast Memorial Hospitals, Acadia Night Sky Festival, Camden Conference, Kneisel Hall, and Charlotte Rhoades Park and Butterfly Garden to broaden our offerings.



We continue to offer on-going programs like tax help through the AARP program, monthly tea parties, exam proctoring, tech help several times a week, monthly art shows, Summer Story Camp, Reader Dog, Café Book for children, and every March we honor Women's History Month with programs and exhibits. All of our library services and programs continue to be free and available to everyone equally.

Sadly, 2017 was the year we lost Juliann Russell, who had worked at the Library nearly as long as I have. She died April 12 of brain cancer. Julie was lovingly known by friends, family and the Library community as an attentive listener who always offered comfort and support through her humanity and compassion. We miss her every day.

Thank you all for the enthusiastic support you have given the Library for the past 130 years, and for the warm kindness you have shown me for the past 30.

With deepest appreciation,
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, 2017

Dear Friends,

Board of Directors:

Margy Vose:
President

Michael Radcliffe:
Vice President

David W. Lewis
Treasurer

Bonnie Norwood:
Secretary

Sonia Field

Sandy Johnson

Suzanne Madeira

Sidney Salvatore

Michael E. Smith

Shirley Soukup

Nancy Stanley

Jean Starr

It's time, once again, to sincerely *thank you* for your past donations and appeal to you for your continued support. The Southwest Harbor/Tremont Ambulance Service is a private, Non-Profit organization. We are *your* ambulance service and we need your financial contribution in order to continue serving you. Here are just a few examples of the many benefits we provide to our year-round and visiting population of Southwest Harbor, Tremont, and surrounding communities:

- ♦ Licensed EMS personnel are on duty 24/7 to respond to medical emergencies. Without us, *you or your family* would have to wait *at least 30 minutes* for an ambulance to arrive from a neighboring Service—time that could truly mean the difference between life and death.
- ♦ We respond to roughly 400 emergency calls per year. An additional 75 or more calls don't require transport to the hospital (ie. "lift assists," Medical Alert/Lifeline activations and well-being checks.)
- ♦ A second ambulance, in Bass Harbor, is available for emergency response and can provide mutual aid to surrounding towns when necessary.
- ♦ We provide interfacility patient transports, as personnel availability permits.
- ♦ *New this year:* Monthly AED and Hands Only CPR classes are offered, free of charge, to community members; instructed by Pat Buccello, Paramedic.

Providing around the clock emergency coverage is crucial AND expensive. Every year we are faced with cost increases for medical supplies and equipment, yet Medicare and MaineCare reimbursements remain low. Our primary ambulance must be replaced every 5-6 years; *an expense of at least \$165,000.00.*

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 2017

To the residents of Southwest Harbor,

The Bar Harbor Food Pantry has had another year of growth in the number of clients we are serving.

On average 390 households each month, which represents roughly 850 individuals for the year of 2017 used the pantry on a regular basis. Of those 400 individuals, 44 are residents of SWH.

We received a \$1,000 grant from Mainers Feeding Mainers that allowed us to purchase fresh local produce for our clients through Beech Hill Farm. 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 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 \$4,700 to go towards the purchase of food items. We increased our revenue of this fundraiser by \$1,000 in 2017.


A generous donor enabled the pantry to run a Matching Fundraising campaign. A donor will match up to \$5,000 in donation from Oct 1st to Dec. 31st of this year. At this point, we can assure you that all funds to match will be raised.

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. 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 \$180,000 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, 2017

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 15 individuals from the town of Southwest Harbor.

PROGRAM UPDATES

MDI Center: The MDI Day Program began a concerted effort this year to give back to their community. One of the projects that they decided to assist with is the Hancock County Meals on Wheels Program, which provides nutritionally balanced, hot meals for homebound individuals. The program is available to homebound individuals 60 years of age or older and to persons with disabilities who are unable to prepare a meal due to physical or mental limitations and have no one to prepare a meal for them.

One of the largest obstacles to this program is finding enough volunteers who are able and willing to deliver these meals. I am proud to report that each week; Downeast Horizon's staff and program participants are volunteering to help out, and can be seen delivering these meals in Hancock County. Through this experience, our staff and participants are given a wonderful opportunity to perform safety checks on people who often have few, if any, individuals checking in on them.

The Ellsworth Center: Our Expeditions Group continues to expand rapidly. This group was developed for active individuals who focus on youthful, fun, and enriching activities while developing independence. The group is often seen throughout Hancock County having a wonderful time while exploring and giving back to their community.

The Brewer Center: Our Bangor program crossed the river and into their new home. The move took place at the end of June, and programs resumed the first week of July from the Brewer Center. Staff and participants helped pack and unpack into the new building, and continued to help with decorating and finalized details. Although the building was not 100% completed the first week of July, both staff and participants were very flexible and understanding as the contractors finished up last-minute details. An official grand opening was held on August 17th. The adult participants took part in the celebration by offering tours and answering any questions visitors may have had.

The vision for the Brewer Center includes adding two more community support groups: a group for individuals with more profound physical disabilities, and an evening style program similar to the group in Ellsworth. Expectations for growth are high in Brewer; we hope to double the number of adults served over the next two years.

CAPITAL IMPROVEMENTS

Downeast Horizons continues to maintain and enhance our facilities. In 2016, we hired a contractor who worked with our maintenance staff to complete the additions to Hancock House and our Union Street home. These additions will allow us to change each of these non-licensed, two-bed homes to licensed, three-bed homes, and thus afford us the opportunity to add another resident to each home as needed. In most cases, adding an extra bedroom, bathroom, and family room will enable us to help one additional person without substantially increasing our staffing costs. The cost for the renovations for both homes was almost \$200,000. These renovations are directly related to the generous support we receive from our donors, and without this support these vital upgrades would not have been possible. Over the next two years, we will continue to focus on renovating homes when possible, improving energy efficiency, and enhancing the safety at all of our locations.

EMPLOYEE RETENTION

Downeast Horizons recognizes 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 two years, DEHI has provided our direct care employees annual raises of up to 3 percent and a holiday incentive of up to \$500 per employee. DEHI has been able to do this by continuing its philosophy that we should operate within our current funding and not borrow on 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 5%; dental and life insurance; and paid time off.

In 2016, in an effort to attract and retain employees in the Children's department, we increased our Children's starting wage from \$10 to \$11 per hour. By doing this we have been able to recruit additional Children's workers and help additional children. Downeast Horizons also increased the starting wage of our Adult Direct Care Professionals. It is our commitment to our workers that has enabled DEHI to have one of the lowest employee turnover rates in our area. Throughout the state of Maine our business workforce has an annual turnover rate of 41%. Downeast Horizons' employee turnover rate is currently at 21%, and out of our 160 employees, 51 have been with the agency for more than 5 years. We are grateful for these dedicated employees and look forward to 2017.

The \$1,800.00 generously given by the citizens of Southwest Harbor in 2017 assisted in paying for safety/health building maintenance and repairs; staff training; and client motivation activities. In 2018, 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 FY2018.



Town of: Southwest Harbor

Greetings,

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

- Provided health insurance counseling to over 4,800 community residents,
- Saved community residents \$874,000 in Medicare premiums, deductibles and copays,
- Provided 66,776 meals to homebound seniors, and
- Provided 29,000 hours of volunteer services across our region?

Because of the generosity of towns across our region, last year we were able to feed **60 older adults for an entire year.** 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. Included you will find a report listing services EAAA provided to benefit your residents over the past 12 months as well as their associated costs.

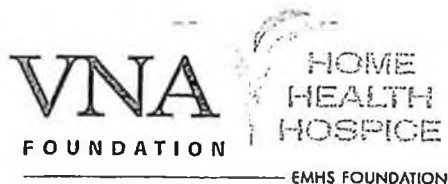
As you prepare your town's budget, we ask that you consider Eastern Area Agency on Aging in next year's budget allocation.

➤ Your town's allocation to EAAA last year:	\$ 1,500
➤ Amount requested for 2018	\$ 1,500

In the meantime, if you have questions, please call Laurie Qualey at 1-800-432-7812 or lqualey@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



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

November 29, 2017

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

Dear Friends:

VNA Home Health Hospice (VNA) is most grateful to the Town of Southwest Harbor for their continued support of our efforts to care for your frail older residents. We have been here for many years and, although we are members of a large healthcare system, EMHS, our clinicians are from your community or one close by.

Enclosed is an overview of the services we provided in your community during fiscal year 2017. Statewide, our teams of nurses, rehabilitation therapists, home health aides and social workers made 167,891 visits to provide care to 8,068 patients at home recovering from illness or surgery and 46,328 visits to 1,116 hospice patients who made the decision to stop curative treatment. That is an average of 1,339 patients under our care on any given day.

In addition to providing homecare and hospice services, VNA provides telehealth services to those living with chronic illness. This enables our nurses to remotely monitor blood pressure and other vital signs on a daily basis. We can then alert patient and physician of changes that require attention.

We also want to inform you that our reimbursements from Medicare, MaineCare and other insurers fall short of our expenses. In fact, we have not received a per visit rate increase from MaineCare since 1999. This challenges us to raise more and more money to cover our costs because we provide care regardless of ability to pay, insured or uninsured.

Your commitment to VNA is directed to the care of your residents, enabling them to remain at home for as long as they possibly can. It also covers our ability to provide telehealth services. Therefore, it is our hope that the Town of Southwest Harbor will continue to provide municipal funding 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 your consideration.

Very truly yours,

Colleen Hilton
SVP, President of VNA & Rosscare
VNA Home Health Hospice
50 Foden Road, Suite 3,
South Portland, ME 04106
hiltonc@emhs.org, 207-400-8735 (Direct), 800-757-3326

November 29, 2017

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

Re: Written report for Southwest Harbor Annual Report

VNA Home Health Hospice cared for 34 residents of Southwest Harbor in 2017. 22 were at home recovering from illness or surgery receiving 481 visits and 12 received hospice services when the decision was made to stop seeking curative treatments. The benefit to your community was \$172,179

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 ~

October 31, 2017

To the Residents of Southwest Harbor:

Thank you very much for your partnership in support of our services!

Hospice Volunteers of Hancock County sincerely values the uniqueness of the communities we serve. Our trained and compassionate volunteers come from their own communities and serve their neighbors with commitment and caring during some of life's most challenging times. Thank you for joining us in this important mission.

Our core mission services are offered **free of charge** and include Patient Care & Caregiver Support, Bereavement Support and Community Education and Advocacy.

During the past year, the mission services we provided to local residents were extensive:

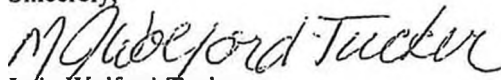
- ~ **Patient Care and Caregiver Support to 165 patients and families, including 11 residents of Southwest Harbor.**
- ~ **Well over 1300 gestures of Bereavement support, including to four residents of Southwest Harbor.**
- ~ **Multiple Community Education programs, including eight showings of the Atul Gawande film *Being Mortal*, each featuring a local panel of service providers, reaching over 350 local residents.**

We also serve the community broadly with our Evensong singers, our Equipment Sharing Program and our Veterans and Caregivers Outreach Program. All of these services are offered without charge and without reimbursement from state or federal programs. These extensive services really are a partnership with our community.

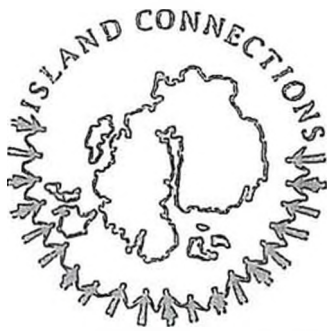
Thank you again for joining us in partnership for the residents of Southwest Harbor!

As always, we invite your feedback and/or requests if there are ways that you would like to see us serve the residents of Southwest Harbor. Thank you.

Sincerely,


Jody Wolford-Tucker
Executive Director





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

November 9, 2017

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



Report on Use of Funds

The \$10,000 Downeast Transportation received from the Town of Southwest Harbor for fiscal year 2018 was used to operate the Island Explorer transit system from June 23, 2017 to Columbus Day. During that period we operated multiple daily trips between Southwest Harbor, Tremont and Bar Harbor. We carried nearly 600,000 passengers during the 2017 season, thanks, in no small part to Southwest Harbor's contribution.



Keeping neighbors warm this winter.

**Town of Southwest Harbor
2018 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 1,014 families. We were fortunate that the 2016-2017 Winter was mild, fuel prices were low and less people needed heating assistance. During that heating season we helped 79 families, separated by town as follows: 32 families from Southwest Harbor, 12 from Bar Harbor, 7 from Mount Desert, 22 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 with limits of \$30,150 per individual or \$61,500 for a family of four +. This ensures that no one is left in the cold.

It is hard to gauge how cold the winter will be, what fuel prices will look like and what level of assistance members of our community will need. While the need was lower this past winter, the Coalition has helped as many as 158 individuals and families in one heating season. It is important to plan ahead to make sure our neighbors and friends are safe and cared for next season and the Coalition will be ready to help. We ask the Town of Southwest Harbor to assist us with \$3,000 to ensure that we will once again be able to respond to those in need this coming winter.

Thank you for your support,

Harbor House Community Service Center
The Neighborhood House

Mount Height Cemetery Association

PO Box 861

Southwest Harbor, ME 04679

November 30, 2017


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.

Once again, the Mount Height Cemetery Association would like to express its appreciation for the continued support you, our neighbors, provide to our small, committed organization. If anyone would like to join the Association and share that commitment, please contact Wendy Dolliver, President; Nancy Soukup, Secretary; or Amy Young, Superintendent. To arrange for the purchase of a plot, please contact Amy Young, Superintendent.

Sincerely,



Wendy P. Dolliver
President, Mount Height Cemetery Association

Westside

Food

Pantry

Sharing Is Our Story



**Town of Southwest Harbor
Community Service Organization Funding
2017 Report**

In its 26th year of service, the Westside Food Pantry was empowered by a Community Service Organization Funding Grant from the citizens of Southwest Harbor. This grant enabled us to continue to address the seasonal needs for food security among our neighbors on the west side of MDI. Open during the months of November through April, the Westside Food Pantry issues vouchers for food and household goods to assist our neighbors when income may be reduced due to seasonal employment considerations. This was the original objective of the Pantry when it first opened in 1990. And, today we continue to address this need in an expanded way. One example of the expansion is the Pemetic-Tremont School Backpack Program—operated jointly by the Westside Food Pantry and Harbor House. The Pantry provides major funding for this program, that provides healthy and easily prepared foods on weekends for children identified by school nurses and counselors to need this assistance. This is the kind of work that the Southwest Harbor Grant helps make possible.

The following figures indicate the scope of the work this grant enables:

	<u>2016-17 Distribution Season</u>
Dollar value of vouchers issued	\$105,905
Number of adults served	1,810
Number of children served	571
Total Number of neighbors served	2,381
Southwest Harbor Households served	729
Mt. Desert Households served	115
Tremont Households served	439
New households registered	49

The Westside Food Pantry lives here and serves our “Westside” community. This community is larger however, than the geographic boundaries of the west side of MDI. We assist our neighbors among us locally for sure, but the support for this work has wide-spread boundaries. Our seasonal neighbors provide significant support for the Pantry and its mission when they are away from here. Together, we form a far-flung *Caring Community!* We are blessed that the Town of Southwest Harbor is a member of this *Caring Community* as demonstrated in this *Community Service Grant*. Thank you.

Dean Henry, for the Westside Food Pantry

For 27 years!

*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*



Downeast Community Partners
248 Bucksport Road
Ellsworth, ME 04605

December 8, 2016

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

RE: Annual Request for Local Match Funds

Dear Southwest Harbor residents:

Downeast Community Partners, formerly the Washington Hancock Community Agency and Child and Family Opportunities, wishes to extend a thank you to the Southwest Harbor Selectmen and Town residents for your past support. WHCA and CFO merged effective October 1, 2017 to form Downeast Community Partners (DCP) to support a broad spectrum of the community as they strive to achieve self-sufficiency.

DCP appreciates your support in providing funding to provide and expand services to your community. DCP offers services designed to reduce the impact of poverty and isolation in your community. **Many services offered by DCP have a direct impact on your expenditures by reducing reliance on your general assistance program.**

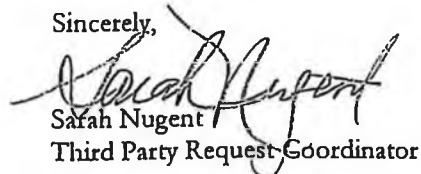
Last year, Southwest Harbor residents requested and received the following services:

<u>Services Provided</u>	<u>Number of Households/Individuals</u>	<u>Amount Expended/\$\$ Value</u>
The Heating and Warmth Fund (THAW)	2/3	\$458
Housing Services	1/	\$9,700
LIHEAP (Fuel Assistance)	31/42	\$16,315
Transportation (number of rides, not individuals)	604	\$29,476
Aging in Place	/2	\$4,000
Early Childhood Education	/1	\$7,243
Christmas is for Kids	/6	\$180
ACA Navigator	/3	\$675
Total		\$68,047

In addition to the above, DCP provided free coats to anyone who needed one. Our Community Resource Advocates join with families and individuals in an effort to provide support and assist in finding resources as they work toward family, personal, and occupational goals. The advocates worked with one Southwest Harbor individual this year.

Thank you for your support.

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 25 clients in 2017 from Southwest Harbor was \$18,000. There is no cost to the clients.

Thank you for your past support of our program.

Tawney Jacobs

A handwritten signature in cursive script that reads "Tawney Jacobs".

Local WIC Director

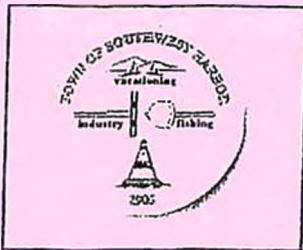
248 State Street, Suite 3A, Box 10

Ellsworth, Me 04605

Phone 667-5304 Ext 222

Email tjacobs@fpam.org

NOTES



**Town Meeting Warrant
And
Secret Ballot Election**

**Monday, May 7, 2018
And
Tuesday, May 8, 2018**

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 7th day of May, 2018 A.D. at seven o'clock in the evening**, then and there to act on Articles numbered one [1] through fifty-eight [58].

And to notify and warn said inhabitants to meet in the Southwest Harbor Fire Station Meeting Room on **Tuesday, the 8th day of May, 2018 A.D. at ten o'clock in the forenoon**, then and there to act upon Articles numbered fifty-nine [59] through sixty-two [62] 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, 2018 and ending June 30, 2019.

<i>School Board recommends</i>	<i>\$ 1,134,153</i>
<i>Board of Selectmen recommends</i>	<i>\$ 1,134,153</i>
<i>Warrant Committee recommends</i>	<i>\$ 1,134,153</i>

Note: 2017-18 Amount was \$1,076,843

Article 5: To see what sum the School Committee is authorized to expend for Special Education for the fiscal year beginning July 1, 2018 and ending June 30, 2019.

<i>School Board recommends</i>	\$ 831,639
<i>Board of Selectmen recommends</i>	\$ 831,639
<i>Warrant Committee recommends</i>	\$ 831,639

Note: 2017-18 Amount was \$ 904,693

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, 2018 and ending June 30, 2019.

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

Note: 2017-18 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, 2018 and ending June 30, 2019.

<i>School Board recommends</i>	\$ 66,593
<i>Board of Selectmen recommends</i>	\$ 66,593
<i>Warrant Committee recommends</i>	\$ 66,593

Note: 2017-18 Amount was \$ 61,607

Article 8: To see what sum the School Committee is authorized to expend for Student & Staff Support for the fiscal year beginning July 1, 2018 and ending June 30, 2019.

<i>School Board recommends</i>	\$ 380,484
<i>Board of Selectmen recommends</i>	\$ 380,484
<i>Warrant Committee recommends</i>	\$ 380,484

Note: 2017-18 Amount was \$ 349,677

Article 9: To see what sum the School Committee is authorized to expend for System Administration for the fiscal year beginning July 1, 2018 and ending June 30, 2019.

<i>School Board recommends</i>	\$ 75,376
<i>Board of Selectmen recommends</i>	\$ 75,376
<i>Warrant Committee recommends</i>	\$ 75,376

Note: 2017-18 Amount was \$ 68,313

Article 10: To see what sum the School Committee is authorized to expend for School Administration for the fiscal year beginning July 1, 2018 and ending June 30, 2019.

<i>School Board recommends</i>	\$ 247,293
<i>Board of Selectmen recommends</i>	\$ 247,293
<i>Warrant Committee recommends</i>	\$ 247,293

Note: 2017-18 Amount was \$ 240,928

Article 11: To see what sum the School Committee is authorized to expend for Transportation & Buses for the fiscal year beginning July 1, 2018 and ending June 30, 2019.

<i>School Board recommends</i>	<i>\$ 171,508</i>
<i>Board of Selectmen recommends</i>	<i>\$ 171,508</i>
<i>Warrant Committee recommends</i>	<i>\$ 171,508</i>

Note: 2017-18 Amount was \$ 148,261

Article 12: To see what sum the School Committee is authorized to expend for Facilities Maintenance for the fiscal year beginning July 1, 2018 and ending June 30, 2019.

<i>School Board recommends</i>	<i>\$ 445,623</i>
<i>Board of Selectmen recommends</i>	<i>\$ 445,623</i>
<i>Warrant Committee recommends</i>	<i>\$ 445,623</i>

Note: 2017-18 Amount was \$ 382,188

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, 2018 and ending June 30, 2019.

<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: 2017-18 Amount was \$ 261,050

Article 14: To see what sum the School Committee is authorized to expend for All Other Expenditures for the fiscal year beginning July 1, 2018 and ending June 30, 2019.

<i>School Board recommends</i>	<i>\$ 80,000</i>
<i>Board of Selectmen recommends</i>	<i>\$ 80,000</i>
<i>Warrant Committee recommends</i>	<i>\$ 80,000</i>

Note: 2017-18 Amount was \$75,000

Note: Articles 4 – 14 authorize a total budget of \$ 3,693,719

Note: 2017-18 Amount was \$3,568,560

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 \$2,006,529) 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, 2018 to June 30, 2019.

<i>School Board recommends</i>	<i>\$ 1,669,978</i>
<i>Board of Selectmen recommends</i>	<i>\$ 1,669,978</i>
<i>Warrant Committee recommends</i>	<i>\$ 1,669,978</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, 2018 to June 30, 2019.

<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: \$1,428,668) for the period July 1, 2018 to June 30, 2019, which exceeds the State's Essential Programs and Services allocation model (Recommend: \$1,428,668) as required to fund the budget recommended by the school committee.

The School Committee recommends \$ 1,428,668 for additional local funds and gives the following reasons for exceeding the State's Essential Programs and Services funding model by \$ 1,428,668: The State funding model underestimates the actual costs to fully fund the 2018-2019 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 \$3,359,696

Note: 2017-18 Total Town Appropriation was \$3,261,644

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, 2018 and ending June 30, 2019 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>\$ 3,693,719</i>
<i>Board of Selectmen recommends</i>	<i>\$ 3,693,719</i>
<i>Warrant Committee recommends</i>	<i>\$ 3,693,719</i>

Note: 2017-18 Total Budget was \$3,568,560

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 2018-2019 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: \$113,780

<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, 2018 to June 30, 2019.

Requested:	\$ 409,833
Source: Payment in Lieu of Taxes	\$ 23,700
Fees & Licenses	\$ 37,300
State & Federal Assistance	\$ 94,400
Fines & Penalties	\$ 21,500
Miscellaneous Income	\$ 25,500
Contracted Services	\$ 7,200
Taxation	\$ 200,233
Total:	\$ 409,833
<i>Board of Selectmen recommends</i>	<i>\$ 409,833</i>
<i>Warrant Committee recommends</i>	<i>\$ 409,833</i>

Note: 2017-18 Amount was \$310,647

Article 21: To see what sum the Town will vote to raise and appropriate for Code Enforcement /LPI for the period July 1, 2018 to June 30, 2019.

Requested:	\$ 46,197
Source: Fees & Licenses	\$ 23,000
Taxation	<u>\$ 23,197</u>
Total:	\$ 46,197
<i>Board of Selectmen recommends</i>	\$ 46,197
<i>Warrant Committee recommends</i>	\$ 46,197

Note: 2017-18 Amount was \$45,426

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, 2018 to June 30, 2019.

Requested:	\$ 1,500
Source: Fees & Licenses	\$ 500
Taxation	<u>\$ 1,000</u>
Total:	\$ 1,500
<i>Board of Selectmen recommends</i>	\$ 1,500
<i>Warrant Committee recommends</i>	\$ 1,500

Note: 2017-18 Amount was \$1,900

Article 23: To see what sum the Town will vote to raise and appropriate for Contracted Services for the period July 1, 2018 to June 30, 2019.

Requested:	\$ 626,109
Source: Miscellaneous Income	\$ 25,000
Taxation	<u>\$ 601,109</u>
Total:	\$ 626,109
<i>Board of Selectmen recommends</i>	\$ 626,109
<i>Warrant Committee recommends</i>	\$ 626,109

Note: 2017-18 Amount was \$638,525

Article 24: To see what sum the Town will vote to raise and appropriate for Debt Service for the period July 1, 2018 to June 30, 2019.

Requested:	\$ 729,110
Source: SWH District	\$ 207,560
Taxation	<u>\$ 521,550</u>
<i>Board of Selectmen recommends</i>	\$ 729,110
<i>Warrant Committee recommends</i>	\$ 729,110

Summary of Debt Service:

Fire Station	2031 MD	\$ 62,537
Water Tank	2042 MD	\$ 18,569
Main Street	2033, 34, 35 MD	\$ 130,375
Wesley-Mansell	2030 MD	\$ 105,829
Ferrero Fire Truck	2021 MD	\$ 84,240
2018 Infrastructure	TBD	<u>\$ 120,000</u>
TOTAL MUNICIPAL BONDS		\$ 521,550
Re-fi Water Bonds	2027 MD	\$ 92,184
Re-fi Sewer Bonds	2033 MD	\$ 79,104
Water Upgrade	2029 MD	\$ 13,024
Water Upgrade	2029 MD	<u>\$ 23,248</u>
TOTAL WATER/SEWER BONDS		\$ 207,560
TOTAL:		\$ 729,110

Note: 2017-18 Amount was \$405,736

**MD-Maturity Date*

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, 2018 to June 30, 2019.

Requested:	\$ 41,617
Source: Taxation	\$ 41,617
<i>Board of Selectmen recommends</i>	<i>\$ 41,617</i>
<i>Warrant Committee recommends</i>	<i>\$ 41,617</i>

Note: 2017-18 Amount was \$39,269

Article 26: To see what sum the Town will vote to raise and appropriate for the Municipal Offices for the period July 1, 2018 to June 30, 2019.

Requested:	\$ 25,848
Source: Fees & Licenses	\$ 500
Taxation	<u>\$ 25,348</u>
Total:	\$ 25,848
<i>Board of Selectmen recommends</i>	<i>\$ 25,848</i>
<i>Warrant Committee recommends</i>	<i>\$ 25,848</i>

Note: 2017-18 Amount was \$26,923

Article 27: To see what sum the Town will vote to raise and appropriate for Community Service Organizations for the period July 1, 2018 to June 30, 2019.

Requested:	\$ 34,324
Source: Taxation	\$ 34,324
<i>Board of Selectmen recommends</i>	<i>\$ 34,324</i>
<i>Warrant Committee recommends</i>	<i>\$ 34,324</i>

Summary of Community Service Organizations:

Bar Harbor Food Pantry	\$ 2,500
WIC Nutrition Program	\$ 1,080
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
<i>Total:</i>	<i>\$ 34,324</i>

Note. 2017-18 Amount was \$34,364

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, 2018 to June 30, 2019.

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

Note. 2017-18 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, 2018 to June 30, 2019.

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

Note. 2017-18 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, 2018 to June 30, 2019.

Requested:	\$ 63,000
Source: Taxation	\$ 63,000
Board of Selectmen recommends	\$ 63,000
Warrant Committee recommends	\$ 63,000

Note: 2017-18 Amount was \$58,000

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, 2018 to June 30, 2019.

Requested:	\$ 259,638
Source: Excise Tax	\$ 241,838
Fees & Licenses	\$ 300
State & Federal Assistance	\$ 17,500
Total:	\$ 259,638
Board of Selectmen recommends	\$ 259,638
Warrant Committee recommends	\$ 259,638

Note: 2017-18 Amount was \$280,173

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, 2018 to June 30, 2019.

Requested:	\$ 524,431
Source: Fees & Licenses	\$ 800
Fines & Penalties	\$ 1,500
Taxation:	\$ 522,131
Total:	\$ 524,431
Board of Selectmen recommends	\$ 524,431
Warrant Committee recommends	\$ 524,431

Note: 2017-18 Amount was \$485,814

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, 2018 to June 30, 2019.

Requested:	\$ 286,927
Source: Service Revenue	\$ 44,000
Taxation	\$ 242,927
Total:	\$ 286,927
Board of Selectmen recommends	\$ 286,927
Warrant Committee recommends	\$ 286,927

Note: 2017-18 Amount was \$271,257

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, 2018 to June 30, 2019.

Requested:	\$ 81,233
Source: Taxation	\$ 81,233
Board of Selectmen recommends	\$ 81,233
Warrant Committee recommends	\$ 81,233

Note: 2017-18 Amount was \$81,783

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, 2018 to June 30, 2019.

Requested:	\$ 100,024
Source: Fees & Licenses	\$ 95,100
Taxation	\$ 4,924
Total:	\$ 100,024
Board of Selectmen recommends	\$ 100,024
Warrant Committee recommends	\$ 100,024

Note: 2017-18 Amount was \$105,901

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, 2018 to June 30, 2019 with the Select Board being authorized to draw funds from these accounts to be used in accordance with the purpose of the account.

Requested:	\$ 210,812
Source: Excise Tax	\$ 168,162
Taxation	\$ 42,650
Total:	\$ 210,812
Board of Selectmen recommends	\$ 210,812
Warrant Committee recommends	\$ 210,812

Capital Improvement Plan Summary:

Administration	\$ 312
Municipal Building	\$ 5,000
Police	\$ 12,500
Dispatch	\$ -0-
Fire	\$ 4,500
Harbor	\$ 14,000
Highway	\$ 124,500
Water/Sewer Infrastructure	\$ 50,000
Total:	\$ 210,812

Note: 2017-18 Amount was \$321,300

Article 37: To see what sum the Town will vote to raise and appropriate for the Wage and Benefit Reserve for the period July 1, 2018 to June 30, 2019 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: \$ 11,000

Board of Selectmen recommends \$ 11,000

Warrant Committee recommends \$ 11,000

Note: 2017-18 Amount was \$-0-

Article 38: To see what sum the Town will vote to raise and appropriate for the Legal & Accounting Reserve for the period July 1, 2018 to June 30, 2019 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: \$ 55,000

Board of Selectmen recommends \$ 55,000

Warrant Committee recommends \$ 55,000

Note: 2017-18 Amount was \$-0-

Article 39: To see what sum the Town will vote to raise and appropriate for the Tax Abatement Reserve for the period July 1, 2018 to June 30, 2019 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

Board of Selectmen recommends \$ 15,000

Warrant Committee recommends \$ 15,000

Note: 2017-18 Amount was \$-3,000

Article 40: To see what sum the Town will vote to raise and appropriate for the General Assistance Reserve for the period July 1, 2018 to June 30, 2019 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: \$ 600

Source: Taxation \$ 600

Board of Selectmen recommends \$ 600

Warrant Committee recommends \$ 600

Note: 2017-18 Amount was \$-0-

Article 41: To see what sum the Town will vote to raise and appropriate for the **Mapping Update Reserve** for the period July 1, 2018 to June 30, 2019 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:	\$ 1,000
Source: Taxation	\$ 1,000
<i>Board of Selectmen recommends</i>	<i>\$ 1,000</i>
<i>Warrant Committee recommends</i>	<i>\$ 1,000</i>

Note: 2017-18 Amount was \$300

Article 42: To see what sum the Town will vote to raise and appropriate for the **Rhoades Park Reserve** for the period July 1, 2018 to June 30, 2019 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:	\$ 29,500
Source: Taxation	\$ 29,500
<i>Board of Selectmen recommends</i>	<i>\$ 29,500</i>
<i>Warrant Committee recommends</i>	<i>\$ 29,500</i>

Note: 2017-18 Amount was \$5,500

Article 43: To see what sum the Town will vote to raise and appropriate for the **Tree Fund Reserve** for the period July 1, 2018 to June 30, 2019 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
<i>Board of Selectmen recommends</i>	<i>\$ 2,000</i>
<i>Warrant Committee recommends</i>	<i>\$ 2,000</i>

Note: 2017-18 Amount was \$2,000

Article 44: To see what sum the Town will vote to raise and appropriate for the **HRA Insurance Reserve** for the period July 1, 2018 to June 30, 2019 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:	\$ 24,000
Source: Taxation	\$ 24,000
<i>Board of Selectmen recommends</i>	<i>\$ 24,000</i>
<i>Warrant Committee recommends</i>	<i>\$ 24,000</i>

Note: 2017-18 Amount was \$10,000

Article 45: To see what sum the Town will vote to raise and appropriate for the Salt & Sand Reserve for the period July 1, 2018 to June 30, 2019 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:	\$ 26,000
Source: Taxation	\$ 26,000
Board of Selectmen recommends	\$ 26,000
Warrant Committee recommends	\$ 26,000

Note: 2017-18 Amount was \$-0-

Article 46: To see what sum the Town will vote to raise and appropriate for the School Lights/Maintenance Reserve for the period July 1, 2018 to June 30, 2019 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:	\$ 18,000
Source: Taxation	\$ 18,000
Board of Selectmen recommends	\$ 18,000
Warrant Committee recommends	\$ 18,000

Note: 2017-18 Amount was \$-0-

Article 47: To see what sum the Town will vote to raise and appropriate for the SWH Historic Cemetery Reserve for the period July 1, 2018 to June 30, 2019 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:	\$ 27,000
Source: Taxation	\$ 27,000
Board of Selectmen recommends	\$ 27,000
Warrant Committee recommends	\$ 27,000

Note: 2017-18 Amount was \$2,000

Article 48: To see if the Town will vote to increase the property tax levy limit of \$3,602,903.37 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 49: 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, 2018 and that the second half of taxes shall be due and payable on or before February 5, 2019 and that interest shall be charged at the annual rate of 8% on any unpaid taxes due on September 5, 2018 beginning September 6, 2018 and on any unpaid taxes due February 5, 2019 beginning February 6, 2019. Also, that a rate of 4% 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 50: 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, 2018 to June 30, 2019.

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 2018-2019
Payment in Lieu of Taxes	\$ 23,700
Fees & Licenses	\$ 577,500
State & Federal Assistance	\$ 111,900
Fines & Penalties	\$ 21,500
Service Revenue	\$ 52,200
Debt Service	\$ 207,560
Miscellaneous	\$ 15,000
Estimated Revenue Total	\$ 1,008,360

NON-EXPENDITURE ARTICLES

Article 51: 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	\$ 17,500	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 52: 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, 2018 to June 30, 2019.

Board of Selectmen recommends passage.

Article 53: 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 54: 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 55: 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 56: 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 57: To see if the Town will vote to allow the Municipal Officers to enter into multiyear contracts.

Board of Selectmen recommends passage.

Article 58: To see if the Town will vote to authorize the Municipal Officers to accept on behalf of the Town, unconditional gifts of property and/or donations which they feel are in the Town's best interest to accept.

Board of Selectmen recommends passage.

**The following articles will be voted on by secret ballot on
Tuesday, May 8, 2018**

Article 59: Election of Officers – To elect all necessary Town Officers as are required to be elected by secret ballot:

One [1] member of the Board of Selectmen for a three [3] year term.

Two [2] members 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 60: Question 1 –

Shall the following amendments to the Southwest Harbor Land Use Ordinance be enacted?

Section XIII: DEFINITIONS

B: WORDS and TERMS DEFINED

STRUCTURE: Anything built for the support, shelter or enclosure of persons, animals, goods or property of any kind, together with anything constructed or erected with a fixed location on or in the ground, exclusive of decks, patios, fences, poles, wiring and pedestals associated with service drops. The term "structures" in shoreland zone includes structures temporarily or permanently located, such as decks, patios, balconies, piers, dumpsters, and satellite dishes: but excludes incidental structures for residential use, such as picnic tables, chairs, birdhouses, and flagpoles.

Article 61: Question 2 –

Shall an Ordinance entitled "Town of Southwest Harbor Ordinance On The Use Of Docks, Piers, Wharfs and Other Such Facilities To Transfer Ship Passengers" be enacted?

Article 62: Question 3 –

Shall the following amendments to the Coastal Waters And Harbor Ordinance For The Town Of Southwest Harbor" be enacted?

SECTION I. GENERAL REGULATIONS

C. Fairways and Anchorage

1. Any vessel that plans on anchoring in Southwest Harbors coastal waters will contact the harbormaster for permission. The harbormaster will approve or deny anchorage based on navigational safety. If anchorage is approved the vessel will do so in a location determined by the harbormaster.

SECTION III. REGULATIONS CONCERNING MOORINGS, DOCKS, & MARINAS

A. Mooring Registration Procedure

8. All new moorings and replacement mooring parts shall follow the designated mooring Specification Sheet. The select board may update the Mooring Specification Sheet with recommendations from the Harbor Committee and the Harbormaster.

8. 9.

9. 10.

10. 11.

11. 12.

SECTION IV. PROHIBITED ACTS

Q. No Vessel larger than 150 feet may enter Southwest Harbor coastal waters without notifying the harbormaster of an approved float plan. The harbormaster will allow or deny entry based on navigational safety.

SECTION VIII. DEFINITIONS

FLOAT PLAN – Description of the vessel, including its number, size, make, capacity, horsepower, and type of engine. Description of where you are going, with detailed route, your planned arrival, and departure times.

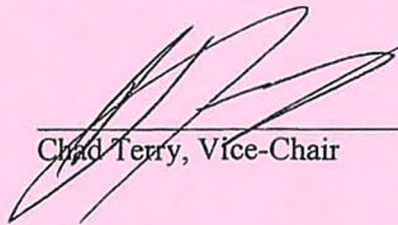
The polls will be open from 10:00 a.m. until 8:00 p.m. on Tuesday, May 8, 2018 for the election of Town Officers and referendum balloting.

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, May 4, 2018 from 8:30 a.m. until 5:00 p.m. for the purpose of registering new voters.

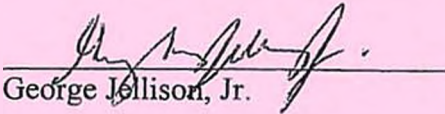
Given under our hands this 10th day of April, 2018



Dan Norwood, Chairman



Chad Terry, Vice-Chair



George Jellison, Jr.



Lydia Goetze



Ryan Donahue

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 18-19

	15-16 Budget	15-16 Actual	16-17 Budget	16-17 Actual	17-18 budget	18-19 Budget
Revenue	737,100	1,054,076	766,275	910,543	798,050	1,008,360
Administration	243,497	265,345	252,799	296,343	319,646	409,833
Planning/CEO	41,501	40,439	46,167	44,807	45,426	46,197
Boards & Committees	4,000	834	2,000	537	1,900	1,500
Contracted Services	636,200	628,072	635,775	645,579	638,525	626,109
Debt Service	419,470	369,186	408,970	411,071	405,736	729,110
Insurance	31,324	39,269	35,700	31,324	39,269	41,617
Municipal Office	25,990	17,636	28,580	26,143	26,924	25,848
Community Services	201,164	201,164	203,964	203,964	207,004	211,964
Highway	328,929	289,750	323,100	290,038	280,174	259,638
Police	455,097	400,651	463,498	426,778	485,815	524,431
Dispatch	260,188	245,830	255,940	261,013	271,257	286,927
Fire	83,970	70,760	80,931	68,089	81,783	81,233
Harbor	106,501	103,282	105,183	102,873	105,900	100,024
Total Expense	2,842,207	2,672,218	2,842,607	2,808,559	2,909,359	3,344,432
Capital Improvement	308,211	308,211	268,637	268,637	321,300	210,812
Reserve Accounts	26,326	26,326	79,300	79,300	19,800	209,100
Total Budget	3,176,744	3,006,755	3,190,544	3,156,496	3,250,459	3,764,344

Reserve Account Allocations

Admin	Item	Goal	FY 15-16	FY 16-17	FY 17-18	Bal 6/30/18	FY 18-19
220-02	Wage & Benefit	15,000	10,000	0	0	4,000	11,000
220-05	Tax Abatement	8,000	-2,734	0	-3,000	-7,425	15,000
220-06	Legal & Accounting	25,000	5,000	10,000	0	-29,960	55,000
220-07	Professional Training	20,000	9,000	8,000	0	21,738	0
220-17	Comprehensive Plan	7,500	0	0	0	-401	0
220-19	Unemployment	10,000	0	0	-15,000	10,288	0
220-40	General Assistance	5,000	5,000	1,500	0	4,441	600
220-20	Rhoades Park	5,500	0	4,500	5,500	1,000	29,500
220-23	Tree Fund	2,000	0	2,000	2,000	2,000	2,000
220-38	Salt & Sand	35,000	0	5,000	0	9,000	26,000
NEW	School Lights	0	0	0	0	0	18,000
220-24	HRA Insurance	48,000	0	48000	10000	24000	24,000
220-25	Historic Cemetery	10,000	0	0	2000	2000	27,000
220-52	Mapping Update	1,500	60	300	300	374	1,000

REAL ESTATE TAXES DUE FOR FY 2016-2017

Total Outstanding as of July 1st, 2017 is \$221,8227.08 over 71 accounts

Current Outstanding as of April 1st, 2018 are as follows:

<u>Name</u>	<u>Amount Due</u>
Brawn, Clara H. (Heirs)	\$127.01
Crafts, Hazel Mayo (Heirs)	\$1,339.01
Donovan, Kathy	\$2,803.75
Fairwinds Management Maine, LLC	\$3,041.38
Fletcher, Theodore & Ann Kidder	\$3,162.93
G.C. Management Corp.	\$13,538.74
Gilley, Jack H. JR.	\$1,576.13
Goodwin, John W. JR. & Korey	\$1,853.96
Goodwin, Korey	\$1,737.74
Haas, Gregory	\$6,598.46
Hamblen, James & Linda	\$2,531.15
Harper, Timothy W. & Harper, Sheryl	\$21,204.26
Herrick, Bruce D.	\$1,235.65
Hinckley, Henry R. III & Theo B.	\$1,133.65
Islandbound Holdings, LLC	\$3,900.12
Kelley, Nahum & Melissa	\$1,291.74
Lewis, Timothy A.	\$1,251.01
Mccarson, LLC	\$1,167.53
Murphy, Ernest	\$1,222.28
Murrell, David G. & Murrell, Amanda M.	\$206.66
Pomroy, Ronald O., Jr., Pomroy, Kim S.	\$1,483.97
Rand, Susan M. & William B.	\$2,122.55
Reed, Ronda L.	\$1,775.16
Sawyer, Nancy	\$1,522.82
Sawyer, Ronald & Carole Pinkham (2 Accounts)	\$1,310.56
Stanley, Lucan D. (2 Accounts)	\$2,588.20

Total for 28 Accounts: \$81,726.42

REAL ESTATE TAXES DUE FOR FY 2015-2016

Total Outstanding as of July 1st, 2017 is \$42,663.50 over 21 accounts

Current Outstanding as of April 1st, 2018 are as follows:

<u>Name</u>	<u>Amount Due</u>
Donovan, Kathy	\$2,811.15
Gilley, Jack H. Jr.	\$1,576.51
Goodwin, John W. Jr. & Goodwin, Korey J.	\$1,854.44
Goodwin, Korey J.	\$1,746.20
Herrick, Bruce D.	\$1,242.45
Kelley, Nahum & Melissa	\$1,366.73
Murphy, Ernest A.	\$1,229.10
Sawyer, Nancy J.	\$1,605.90
Sawyer, Ronald & Pinkham, Carole (2 Accounts)	\$1,390.58

Total for 10 Accounts: \$14,823.06

PERSONAL PROPERTY TAXES DUE FOR FY 2016-2017

Total Outstanding as of July 1st, 2017 is \$1,940.59 on 16 accounts

Current Outstanding as of April 1st, 2018 are as follows:

<u>Name</u>	<u>Amount Due</u>
Catalina Marketing Corporation	\$3.86
MDI Concrete	\$162.04
Mooring Inn (The)	\$177.47
Southwest Lobster	\$199.33
The Moody Mermaid	\$39.87
Westside Auto	<u>\$95.16</u>
Total for 6 Accounts:	\$677.73

PERSONAL PROPERTY TAXES DUE FOR FY 2015-2016

Total Outstanding as of July 1st, 2017 is \$42.44 on 2 accounts

Current Outstanding as of April 1st, 2018 are as follows:

<u>Name</u>	<u>Amount Due</u>
Total for Accounts:	\$0.00



Hancock County Government

50 State Street, Ste 8 Ellsworth ME 04605

Telephone: (207)667-8272

Email: hadministrator@co.hancock.me.us

Website: www.co.hancock.me.us

2018 County Tax Bill Fiscal Period:
January 1, 2018 - December 31, 2018

County Commissioners:
William Clark, District #1
Percy L. Brown, Jr. District #2
Antonio Blasi, District #3

BILL TO: Board of Assessors
Town of Southwest Harbor
PO Box 745
Southwest Harbor, ME 04679

DATE: February 1, 2018
STATEMENT # 2018 Southwest Hbr
Mill Rate * 1000: 0.44
DUE DATE: September 1, 2018
INTEREST ACCRUES AFTER October 31, 2018
7% Per Annum

TOWN	2018 STATE VALUATION	PERCENTAGE OF TAX	TAX AMOUNT
Southwest Hbr	621,700,000.00	4.72%	\$ 275,345.37
Fiscal Year	DESCRIPTION		
	2018 County Assessment		\$ 175,007.13
	2018 Jail Operations Assessment		\$ 85,756.92
	2018 Debt Service Assessment		\$ 14,581.32
	2018 Overlay		\$ -
<p>TITLE 30-A §706. Apportionment of county tax; warrants</p> <p>When a county tax is authorized, the county commissioners, within 30 days of that authorization, shall apportion it upon the municipalities and other places according to the last state valuation and fix the date for the payment of the tax. This date may not be earlier than the first day of the following September. They may add that sum above the sum so authorized, not exceeding 2% of that sum, as a fractional division necessitates and demonstrate that necessity in the record of that apportionment, and issue their warrant to the assessors requiring them to immediately assess the sum apportioned to their municipality or place, and to commit their assessment to the constable or collector for collection. The county treasurer shall immediately certify the millage rate to the State Tax Assessor. The State Tax Assessor shall separately assess this millage rate upon the real and personal property in the unorganized territory within the appropriate county.</p> <p>The county may collect delinquent county taxes and charge interest on delinquent county taxes as provided under Title 36, sections 891, 892 and 892-A.</p>			
Total Amount Due			\$ 275,345.37

PLEASE REMIT THIS PORTION WITH PAYMENT

DUE DATE: September 1, 2018
INTEREST ACCRUES AFTER: October 31, 2018
7% Per Annum
REMITTANCE FOR: 2018 Southwest Hbr
SIGNED by ASSESSORS:

STATEMENT# 2018 Southwest Hbr

DATE: _____

AMOUNT DUE _____

MAKE CHECK PAYABLE TO: Hancock County Treasurer

SOUTHWEST HARBOR SCHOOL DEPARTMENT								
		16-17	17-18	17-18	18-19			
		Actual	Current	Anticipated	Proposed	\$	%	
Regular Instruction		Expend.	Budget	Expend.	Budget	Difference	Difference	Explanation
	Regular Instruction							
1100-1000-510100	Teacher's Salaries: 3-8	575,731	604,542	592,203	598,071	(6,471)	-1.07%	6 Classroom Teachers & Specials
1100-1000-510200	Ed. Tech. Salaries	22,088	13,218	8,949	11,678	(1,540)	-11.65%	1 ed tech minus Title I Grant
1100-1000-515000	Negotiated Agreements	-	-	-	24,000	24,000	#DIV/0!	
1100-1000-512300	Substitutes	45,802	30,000	30,000	37,500	7,500	25.00%	\$80/day
1100-1000-520100	Medicare/Retire- Tchrs. 3-8	25,590	30,227	32,097	32,416	2,189	7.24%	
1100-1000-520200	Medicare/Retire- Ed. Techs.	1,001	636	485	633	(3)	-0.47%	
1100-1000-520000	SS/Med/Ret - Subs	2,805	2,500	2,500	2,600	100	4.00%	Most subs now under soc sec
1100-1000-521100	BC/BS: Tchrs. 3-8	117,566	126,914	129,702	148,864	21,950	17.30%	0% Rate Incr./82% Employer Share
1100-1000-521200	BC/BS: Ed. Techs.	19,273	21,093	21,834	21,834	741	3.51%	0% Rate Incr./82% Employer Share
1100-1000-525100	Tuition Reimb - Taxable	9,882	7,000	7,000	7,000	-	0.00%	
1100-1000-525101	Tuition Reimb - Non-Taxable	1,432	8,000	4,000	8,000	-	0.00%	college courses for teachers & ed techs
1100-1000-526300	Unemployment	6,944	5,000	2,000	5,000	-	0.00%	
1100-1000-527100	Worker's Comp. Insurance	11,810	13,000	12,650	13,500	500	3.85%	
1100-2190-534000	Other Prof. Svcs: 504 Stude	-	500	500	500	-	0.00%	
1100-1000-534000	Prof. Svcs.: Counsel/ELL	-	-	-	-	-	#DIV/0!	
1100-1000-532000	Special Academic Programs	-	-	-	5,000	5,000	#DIV/0!	SEA/Float Classrm/Kip/DARE/BabyThink/PL
1100-1000-543000	Repair & Maint. - Equipment	-	-	-	500	500	#DIV/0!	Wind Turbine Maint.
1100-1000-558000	Staff Travel	457	1,500	1,500	1,500	-	0.00%	includes mileage, lodging & food
1100-1000-561000	Teaching Supplies 3-8	15,197	12,000	12,000	13,800	1,800	15.00%	\$600/teacher & Lam & Copy Paper/cost/copy
1100-1000-564000	Textbooks/Workbooks 3-8	3,419	5,000	4,000	4,600	(400)	-8.00%	New programs with workbooks/class books
1100-1000-564300	Periodicals	40	600	500	200	(400)	-66.67%	Specific Requests
1100-1000-573000	Replace/Purch of Equip.	1,338	4,000	4,000	3,500	(500)	-12.50%	Mostly PE, art and music equipment
1100-1000-581000	Dues, Fees, Conf. 3-8	2,932	2,800	2,800	3,300	500	17.86%	\$200/conference
1100-1000-590000	Safety Factor Contingency	-	15,000	15,000	15,000	-	0.00%	
1120-1000-510100	Teacher's Salaries: K-2	123,524	128,602	128,602	131,202	2,600	2.02%	3 Classroom Teachers
1120-1000-520100	Medicare/Retire- Tchrs. K-2	6,009	6,430	6,970	7,111	681	10.59%	
1120-1000-521100	BC/BS: Tchrs. K-2	25,619	29,134	29,794	29,794	660	2.27%	0% Rate Incr./82% Employer Share
1120-1000-561000	Teaching Supplies K-2	2,064	2,400	2,400	1,800	(600)	-25.00%	\$600/teacher
1120-1000-564000	Textbooks/Workbooks K-2	2,906	4,347	3,500	3,550	(797)	-18.33%	classroom books, workbooks
1120-1000-573000	Replace/Purch of Equip.	1,206	1,400	1,400	1,100	(300)	-21.43%	
1120-1000-581000	Dues, Fees, Conf. K-2	827	1,000	1,000	600	(400)	-40.00%	\$200/conference
Total Regular Instruction		1,025,423	1,076,843	1,057,386	1,134,153	57,310	5.32%	
Article 4		Regular Instruction		\$ 1,134,153				

SOUTHWEST HARBOR SCHOOL DEPARTMENT

		16-17	17-18	17-18	18-19			
		Actual	Current	Anticipated	Proposed	\$	%	
Special Education		Expend.	Budget	Expend.	Budget	Difference	Difference	Explanation
Special Education								
2200-1000-510100	Res. Rm. - Tchr. Salaries	121,452	126,460	126,460	129,054	2,594	2.05%	3 teachers
2200-1000-510200	Res. Rm. - Ed. Tech. Sal.	192,829	216,210	254,100	214,988	(1,222)	-0.57%	11.3 Ed. Techs.
2200-1000-520100	Benefits - Teachers - Res R	5,817	6,323	6,854	6,995	672	10.63%	
2200-1000-520200	Benefits - Ed. Tech.	8,164	10,811	13,772	11,652	841	7.78%	
2200-1000-521100	BC/BS: Tchr. - Res. Rm.	56,414	64,050	57,755	57,755	(6,295)	-9.83%	0% Rate Incr./82% Employer Share
2200-1000-521200	BC/BS: Ed. Techs.	83,303	126,579	119,216	91,722	(34,857)	-27.54%	0% Rate Incr./82% Employer Share
2200-1000-525100	Tuition Reimb. (Taxable)	-	7,500	5,000	5,000	(2,500)	-33.33%	
2200-1000-543000	Repair & Maint. - Equipmen	-	-	-	-	-	#DIV/0!	
2200-1000-556000	Tuition	44,129	-	60,000	60,000	60,000	#DIV/0!	Out of District Placement
2200-1000-558000	Staff Travel	-	400	400	400	-	0.00%	includes mileage, lodging & food
2200-1000-561000	Res. Rm. - Teach. Supplies	678	1,200	1,200	1,200	-	0.00%	specific requests
2200-1000-561001	Testing Supplies	589	1,000	1,000	530	(470)	-47.00%	
2200-1000-564000	Textbooks	1,509	2,200	2,000	2,000	(200)	-9.09%	
2200-1000-565000	Software	-	1,000	1,000	1,000	-	0.00%	communication software
2200-1000-573000	Replace/Purchase of Equip.	1,428	1,000	1,000	1,000	-	0.00%	more requests based on needs
2200-1000-581000	Dues, Fees, Conference	390	600	600	2,100	1,500	250.00%	Includes Literacy Training
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	594	600	780	800	200	33.33%	
2500-2330-534400	Spec Svcs Assessment	56,923	54,644	54,644	39,184	(15,460)	-28.29%	
2800-2140-534400	Other Prof.Svcs:Therap/Cou	23,407	16,000	16,000	20,000	4,000	25.00%	
2800-2150-510100	Teacher Salary: Speech	64,807	85,534	-	48,240	(17,294)	-26.39%	
2800-2150-510101	Salary - Interpreter/TOD	38	54,414	-	-	(54,414)	-100.00%	
2800-2150-520100	Medicare/Retirem - Speech	3,121	3,277	-	2,615	(662)	-20.20%	
2800-2150-520101	Medicare/Retirem - Interpr	2	2,721	-	-	(2,721)	-100.00%	
2800-2150-521100	BC/BS: Speech	20,421	17,542	-	21,834	4,292	24.47%	0% Rate Incr./82% Employer Share
2800-2150-521101	BC/BS: Interpreter	-	21,093	3,027	-	(21,093)	-100.00%	
2800-2150-534400	Other Prof Svcs.:Speech	3,035	7,000	97,500	7,000	-	0.00%	Consultants & increased needs
2800-2150-534401	Other Prof Svcs: Interpr Svc	85,341	3,000	-	3,000	-	0.00%	Consultant
2800-2150-561000	Speech - Supplies	135	600	500	600	-	0.00%	
2800-2150-561001	Speech - Testing Supplies	552	1,000	1,000	1,000	-	0.00%	DIAL, CELF, TAPS assessments
2800-2150-573000	Speech - Equipment	-	500	500	500	-	0.00%	
2800-2150-581000	Speech - Dues/Fees/Conf.	525	200	200	300	100	50.00%	
2800-2180-534400	Other Prof Svcs.: OT	33,071	30,000	32,000	32,000	2,000	6.67%	
2800-2180-534400	Other Prof. Svcs.: PT	26,744	25,000	25,000	27,000	2,000	8.00%	
2810-1000-510100	Summer Schl: Tchr.	16,263	17,000	12,000	15,000	(2,000)	-11.78%	
2810-1000-520100	Summer Schl: Benefits	701	850	650	850	-	0.00%	
2900-1000-510100	Teacher Salary: G & T	13,710	14,210	14,190	14,454	244	1.72%	30% Teacher
2900-1000-520100	Medicare/Retirem - G & T	675	711	769	784	73	10.27%	
2900-1000-521100	BC/BS: G & T	3,720	600	8,188	8,188	7,588	1264.67%	
2900-1000-561000	Teaching Supplies - G & T	-	300	300	300	-	0.00%	
2900-1000-561001	Testing Materials- G&T	-	200	200	250	50	25.00%	
2900-1000-581000	G & T: Dues/Fees/Conf.	-	320	320	300	(20)	-6.25%	
Total Special Education		872,527	904,693	920,169	831,639	(73,054)	-8.08%	
Article 5 Special Education					\$ 831,639			

SOUTHWEST HARBOR SCHOOL DEPARTMENT								
		16-17	17-18	17-18	18-19			
		Actual	Current	Anticipated	Proposed	\$	%	
		Expend.	Budget	Expend.	Budget	Difference	Difference	Explanation
	Article 6	Career & Technical Education			\$ -			
Other Instruction								
	Co-Curricular							
9100-1000-515000	Co-Curric.: Stipends	25,375	22,891	22,000	24,000	1,109	4.84%	Robotics Added
9100-1000-520000	Co-Curric.: Benefits	1,155	1,145	1,320	1,247	102	8.91%	
9100-1000-534000	Co-Curric.: Fine Arts Perform	1,514	1,500	1,500	1,500	-	0.00%	show choir: set, costumes, CD's, materials
9100-1000-560000	Co-Curric.: Gen. Supplies	428	1,000	1,000	1,100	100	10.00%	Band, Drama & Civil Rights
9100-1000-564000	Co-Curric.: Books	217	1,000	1,000	1,000	-	0.00%	Jazz band music books
9100-1000-560500	Co-Curric.: Equipment	2,172	1,800	1,800	1,800	-	0.00%	music equipment/repair
9100-1000-581000	Co-Curric.:Dues and Fees	506	450	450	450	-	0.00%	festival fees and registration
9100-2700-551000	Co-Curric.: Transportation	-	-	-	-	-	#DIV/0!	
9200-1000-515000	Athletic: Stipends	8,090	18,950	17,000	21,000	2,050	10.82%	coaches, AD
9200-1000-515001	Athletic: Stipends - Officials	1,728	3,000	2,500	2,500	(500)	-16.67%	
9200-1000-520000	Athletic: Benefits - Stipends	226	1,000	1,080	1,365	365	36.50%	
9200-1000-520001	Athletic: Benefits - Officials	56	1	1	1	-		
9200-1000-534000	Athletic: Other Prof Svcs	-	-	-	-	-	#DIV/0!	
9200-1000-560000	Athletic: Supplies	-	-	-	-	-	#DIV/0!	
9200-1000-564000	Athletic: Books	-	-	-	-	-	#DIV/0!	
9200-1000-560500	Athletic: Equipment	1,059	1,200	1,200	3,000	1,800	150.00%	Balls/Uniforms
9200-1000-581000	Athletic: Dues/Fees/Conf.	250	320	320	250	(70)	-21.88%	sports conference
9200-2700-551000	Athletic: Transportation	-	-	-	-	-	#DIV/0!	
	Total Co-Curricular	42,776	54,257	51,171	59,213	4,956	9.13%	
Other Instruction								
	Summer School							
4300-1000-510100	Summer Schl./Learning Lab	5,593	7,000	7,000	7,000	-	0.00%	Before/After school homework help
4300-1000-520100	Benefits - Summ Schl/LL	265	350	380	380	30	8.57%	
4300-1000-534000	Other Prof. Svcs.-Summ Sc	-	-	-	-	-	#DIV/0!	
	Total Summer School	5,858	7,350	7,380	7,380	30	0.41%	
	Article 7	Other Instruction			\$ 66,593			
Student & Staff Support								
	Guidance							
0000-2120-510100	Salaries: Guidance Counsel	64,085	64,534	64,534	64,534	-	0.00%	Contract Increase
0000-2120-520100	Medicare/Retirement	3,119	3,227	3,497	3,497	270	8.37%	
0000-2120-521100	Blue Cross/Blue Shield	19,409	21,350	21,834	21,834	484	2.27%	0% Rate Incr./82% Employer Share
0000-2120-532000	Prof. Svcs.	-	-	-	-	-	#DIV/0!	
0000-2120-558000	Staff Travel	65	125	125	125	-	0.00%	
0000-2120-561000	Supplies	214	300	300	600	300	100.00%	includes Civil Rights materials
0000-2120-564000	Books	208	200	200	200	-	0.00%	
0000-2120-564300	Periodicals	-	-	-	-	-	#DIV/0!	
0000-2120-573000	Equipment	-	-	-	400	400	#DIV/0!	Chairs
0000-2120-581000	Dues / Fees / Conferences	295	300	300	400	100	33.33%	
	Total Guidance	87,395	90,036	90,790	91,590	1,554	1.73%	

SOUTHWEST HARBOR SCHOOL DEPARTMENT

		16-17	17-18	17-18	18-19			
		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	62,556	62,556	64,400	1,844	2.95%	contractual agreement w/hospital
0000-2130-543000	Contr. Svcs.: Equip. Repair	-	150	150	150	-	0.00%	
0000-2130-560000	Supplies	1,129	1,200	1,200	1,200	-	0.00%	
0000-2130-584000	Books	-	-	-	-	-	#DIV/0!	
0000-2130-584300	Periodicals	-	-	-	-	-	#DIV/0!	
0000-2130-573000	Replace/Purch. Equipment	-	200	200	200	-	0.00%	
0000-2130-581000	Dues / Fees / Conferences	75	325	325	325	-	0.00%	includes travel
	Total Health Services	59,593	64,431	64,431	66,275	1,844	2.88%	
	Improvement of Instruction							
0000-2200-530000	Assess.: Curric. & Techn.	48,869	48,412	48,412	55,708	7,296	15.07%	
0000-2210-510100	Instructional Grants	3,458	3,000	3,200	4,000	1,000	33.33%	Summer work for AOS
0000-2210-515000	Stipends - Cert Com/Mentor	1,576	3,000	2,500	5,000	2,000	66.67%	
0000-2210-520000	Benefits: Stipends	71	150	135	271	121	80.67%	
0000-2210-520100	Benefits: Teachers	194	150	175	216	66	44.00%	
0000-2210-533001	AOS Workshops/Speakers	22	-	-	-	-	#DIV/0!	
0000-2210-533003	Local W.S./Speakers	121	500	400	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	135	-	-	-	-	#DIV/0!	
0000-2212-533000	Curriculum Work	1,200	1,800	1,632	1,668	(132)	-7.33%	\$12/student
	Total Improve. Of Instruction	55,644	59,012	58,454	69,383	10,351	17.54%	
	Library & Audio Visual							
0000-2220-510100	Salaries: Librarian	22,850	23,683	23,651	24,089	406	1.71%	50% Librarian
0000-2220-520100	Medicare/ Retirement	1,122	1,185	1,282	1,306	121	10.21%	
0000-2220-521100	Blue Cross / Blue Shield	1,440	1,000	13,646	13,646	12,646	1264.60%	0% Rate Incr./82% Employer Share
0000-2220-530000	Prof Svcs:Libr Svcs/Superv	-	1,000	-	-	(1,000)	-100.00%	
0000-2220-561000	Supplies	689	650	650	650	-	0.00%	
0000-2220-564000	Books	3,448	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	-	300	300	300	-	0.00%	
	Total Library & AV	29,528	31,818	43,528	43,991	12,173	38.26%	

SOUTHWEST HARBOR SCHOOL DEPARTMENT								
		16-17	17-18	17-18	18-19			
		Actual	Current	Anticipated	Proposed	\$	%	
Student & Staff Support		Expend.	Budget	Expend.	Budget	Difference	Difference	Explanation
	Technology							
0000-2230-510100	Technology Integrator	51,477	49,994	49,994	50,874	880	1.76%	
0000-2230-510101	Techn Integr (Addtl Days)	-	3,478	3,478	3,478	-	0.00%	Addtl Hours (96)
0000-2230-520100	Benefits: Tech. Integrator	2,520	2,500	2,710	2,758	258	10.32%	
0000-2230-520101	Benefits: Tech. Integr(Addt	-	174	188	188	14	8.05%	
0000-2230-521100	BC/BS: Tech. Integrator	7,075	7,784	7,960	10,917	3,133	40.25%	0% Rate Incr./82% Employer Share
0000-2230-543200	Repair & Maint.	643	3,000	3,000	3,000	-	0.00%	To Self-Insure Laptops
0000-2230-558000	Staff Travel	180	250	250	250	-	0.00%	
0000-2230-560000	Supplies	342	900	900	900	-	0.00%	cartridges/bulbs etc.
0000-2230-565000	Software	4,006	6,000	5,500	6,600	600	10.00%	
0000-2230-565002	Software/Site Lic - AOS 91	7,331	12,000	12,000	12,000	-	0.00%	AOS Software Sharing
0000-2230-573400	Equipment - Incl MLTI Leas	16,319	18,000	18,000	18,000	-	0.00%	
0000-2230-581000	Dues, Fees, Conf., Travel	340	300	300	300	-	0.00%	
	Total Technology	90,234	104,380	104,280	109,265	4,885	4.68%	
	Article 8	Student & Staff Support			\$ 380,484			
System Administration								
	Office of Superintendent							
0000-2320-533200	Assessment: Administration	50,890	56,721	56,721	63,684	6,963	12.28%	AOS Formula/ SWH's % = 10.17%
	Total Office of Supt.	50,890	56,721	56,721	63,684	6,963	12.28%	
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	5,083	8,000	7,000	8,000	-	0.00%	
0000-2310-581000	Dues / Fees / Conferences	857	900	1,000	1,000	100	11.11%	
	Total School Committee	8,555	11,592	10,692	11,692	100	0.86%	
	Article 9	System Administration			\$ 75,376			

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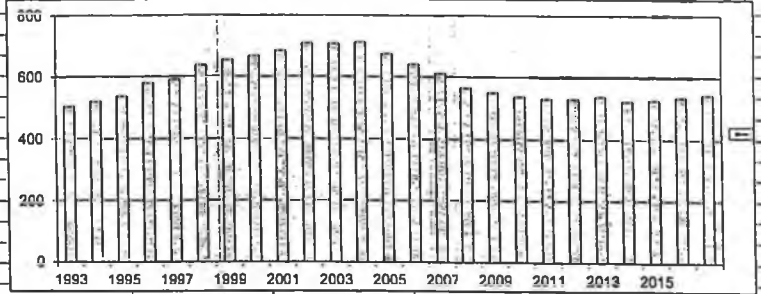
PROPOSED MOUNT DESERT ISLAND HIGH SCHOOL BUDGET FOR 2018-2019
BUDGET MEETINGS: DECEMBER 11TH, JANUARY 8TH, FEBRUARY 12TH (FINAL APPROVAL)
ANNUAL MEETING: Wednesday, April 4th

SC Approved
 2/12/2018
 Revised
 4/3/2018

BUDGET CHANGE RATE Each 1 % change is approximately \$105,373

ENROLLMENT TRENDS:

1991	428	
1992	449	4.91%
1993	504	12.25%
1994	520	3.17%
1995	537	3.27%
1996	580	8.01%
1997	591	1.90%
1998	636	7.61%
1999	653	2.67%
2000	667	2.14%
2001	685	2.70%
2002	710	3.65%
2003	708	-0.28%
2004	712	0.56%
2005	675	-5.20%
2006	640	-5.19%
2007	610	-4.69%
2008	564	-7.54%
2009	549	-2.66%
2010	537	-2.19%
2011	530	-1.30%
2012	529	-0.19%
2013	538	1.70%
2014	523	-2.79%
2015	526	0.57%
2016	535	1.71%
2017	543	1.50%



EST. TUITION REVENUE	\$1,676,360
TUITION STUDENTS:	140
STATE TUITION RATE: (17-18 Rate)	\$10,886.00
TUITION SURCHARGE:	\$1,088.00
MDIHS STUDENTS (10/1/17)	635
PERCENT OF ENROLLMENT:	28%

STATUS OF RESERVE ACCOUNTS: (6/30/17)					
MAINTENANCE OF PLANT/REMODELING	\$917				
BUS: (Bus purch in 2016-17)	\$820				
BOILER/MAJOR MAINTENANCE:	\$26,227				
SPECIAL EDUCATION:	\$120,690				
TOTAL RESERVES:	\$148,654				
Capital Outlay budget: "The Trustees":					
Roof, Summer 2017 & Boiler Debt Service Payments		\$ 214,251.00	Encumbered for project debt		
Contingency & Projects		\$ 260,749.00			
		\$ 475,000.00			
CURRENT BUDGET:	\$ 10,537,342				
PROPOSED BUDGET:	\$ 10,831,218	Total Budget Increase =	\$ 293,876	2.79%	
		Assessment Change (Including Adult Ed.) =	\$ 18,361	0.22%	
CURRENT BUDGET:	\$ 10,537,342				
ANTICIPATED CURRENT SPENDING:	\$ 10,536,453	Total Current Savings	\$ 889	0.01%	
		A 1% change in the budget rep	\$ 105,373		
		A 1% change in the assessm. r	\$ 82,133		

**Mount Desert Island High School
2018 - 2019 Proposed Budget**

REVENUES	CATEGORY:	2016-17 Actual Rev.	2017-18 Budget	2017-18 Anticipated	2018-19 Proposed	\$ INC/DEC	% INC/DEC
	Fund Balance						
LOCAL:	CARRY OVER	1,000,185	567,585	914,127	515,350	(52,234)	-9.20
	Revenues						
	TRANSFERS FROM RESERVES	-	-	-	-	-	-
	TUITION	1,275,785	1,300,000	1,368,900	1,500,000	200,000	15.38
	TUITION SURCHRG	126,975	130,000	138,890	150,000	20,000	16.38
	MARINE SERVICE TECHN TUITION	-	-	26,250	-	-	#DIV/0!
	MISCELLANEOUS	2,125	-	-	-	-	#DIV/0!
	BUILDING RENTAL	800	1,000	800	750	(250)	-25.00
	SPORTS (Gate Rec.) WENDY	9,640	12,000	10,000	9,000	(3,000)	-25.00
	DRAMA	7,853	8,000	8,000	8,000	-	0.00
	AOS 91 RENT	7,500	7,500	7,500	7,500	-	0.00
	INTEREST INCOME	5,361	3,000	4,000	4,000	1,000	33.33
	SPED TUIT SURCH	53,326	20,000	44,000	20,000	-	0.00
	MISC STATE REVENUE	-	-	-	-	-	#DIV/0!
STATE:	STATE SUBSIDY	267,136	275,000	318,278	385,000	110,000	40.00
	STATE AGENCY CLIENT REVENUE	180	-	-	-	-	#DIV/0!
	NBCT STIPEND	9,000	-	-	-	-	#DIV/0!
	Property Taxes/Assessment						
	ASSESSMENTS	7,957,565	8,080,451	8,080,451	8,097,818	17,167	0.21
	ADULT ED	61,980	132,808	132,808	134,000	1,194	0.90
	Articles XIII, XIV, XV & XVII	EPS. Debt Svc. & Additional Local Funds	Articles =		\$ 8,231,618		
	TOTAL REVENUES:	\$ 10,785,201	\$ 10,537,342	\$ 11,051,803	\$ 10,831,218	\$ 283,876	2.79

EXPENDITURES:		2016-17	2017-18	2017-18	2018-19	\$	%
REGULAR INSTRUCTION		Actual Exp	Budget	Anticipated	Proposed	INC/DEC	INC/DEC
TEACHER SALARIES (Incl. Title I Tchrs.)		2,344,520	2,394,970	2,415,475	2,438,042	41,072	
ED TECH SALARIES		106,265	105,204	80,239	81,326	(23,878)	
Negotiated Agreements		-	-	-	80,000	80,000	
SUBS SALARIES		73,497	70,000	74,000	75,000	5,000	7.14
LEARNING AREA LEADER STIPENDS		36,273	36,859	35,605	36,000	(859)	-2.33
BENEFITS: TEACHERS		108,678	118,778	130,919	132,034	13,256	11.16
BENEFITS: ED. TECHS.		5,744	5,910	4,349	4,408	(1,602)	-26.41
BENEFITS: STIPEND (LEARN. AREA LEADERS)		1,594	1,843	1,930	1,952	109	6.91
BENEFITS: SUBSTITUTES		3,960	4,000	5,400	5,700	1,700	42.50
TUITION REIMB - TAXABLE - TCHRS.		1,860	10,000	5,000	10,000	-	0.00
TUITION REIMB - NON-TAX - TCHRS.		21,093	15,000	20,000	15,000	-	0.00
UNEMPLOYMENT - SUBS/TUTORS		2,242	10,000	5,000	10,000	-	0.00
WORKER'S COMP - TEACHERS		37,061	45,000	50,563	53,000	8,000	17.78
BC/BS: TEACHERS		655,731	727,637	738,947	772,308	44,671	0% Rate Incr/82% Share
BC/BS: ED. TECHS.		68,539	80,044	47,732	47,733	(32,311)	-40.37
TOTAL SAL / BEN:		\$ 3,466,868	\$ 3,625,245	\$ 3,615,169	\$ 3,780,503	\$ 135,258	3.73
ALTERNATIVE SCHL	PROF SERVICES	-	-	-	5,000	5,000	CBC - Island Pathways
	REPAIR & MAINT.	-	-	-	-	-	
	SUPPLIES	256	1,000	1,000	1,000	-	
	TEXTBOOKS	124	100	100	-	(100)	
	EQUIPMENT	-	-	-	-	-	
	DUES & FEES	-	-	-	2,500	2,600	
	TOTAL:	\$ 380	\$ 1,100	\$ 1,100	\$ 8,500	\$ 7,400	672.73
ART	PROF SERVICES	1,350	1,000	1,000	1,000	-	
	REPAIR & MAINT.	-	300	300	300	-	
	TCH SUPPLIES	8,411	8,500	8,500	9,500	1,000	
	TEXTBOOKS	-	-	-	-	-	
	EQUIPMENT	559	1,000	1,000	1,000	-	
	DUES & FEES	2,137	1,800	2,200	2,800	1,000	
	TOTAL:	\$ 12,458	\$ 12,600	\$ 13,000	\$ 14,600	\$ 2,000	16.87
FAM/CONSUM SCI	PROF SERVICES	325	-	-	-	-	
	REPAIR & MAINT.	439	300	300	300	-	
	TCH SUPPLIES	3,573	3,200	3,200	3,500	300	
	TEXTBOOKS	-	100	100	100	-	
	EQUIPMENT	1,630	1,000	1,000	1,000	-	
	DUES & FEES	645	600	600	600	-	
	TOTAL:	\$ 6,612	\$ 5,200	\$ 5,200	\$ 5,600	\$ 300	5.77
FOREIGN LANG	PROF SERVICES	-	-	-	-	-	
	REPAIR & MAINT.	-	-	-	-	-	
	TCH SUPPLIES	2,880	2,000	2,200	2,000	-	
	TEXTBOOKS	62	1,200	1,000	1,200	-	
	EQUIPMENT	-	-	-	-	-	
	DUES & FEES	958	1,200	1,200	2,000	800	
	TOTAL:	\$ 3,900	\$ 4,400	\$ 4,400	\$ 5,200	\$ 800	18.18

REGULAR INSTRUCTION		2016-17	2017-18	2017-18	2018-19	\$	%
DEPARTMENT		Actual Exp	Budget	Anticipated	Proposed	INC/DEC	INC/DEC
GENERAL SCHOOL	PROF SERVICES	11,242	15,000	13,000	12,000	(3,000)	
	OTHER PROF SVCS: 504	6,122	3,000	2,000	1,000	(2,000)	
	REPAIR & MAINT./COPIER SVC AGRM.	13,980	9,800	14,500	15,000	5,200	
	COPIER LEASE	24,594	24,595	24,595	24,595	-	
	TUITION - REGULAR - SECONDARY	10,875	10,000	11,000	11,000	1,000	
	SUPPLIES	22,349	19,000	22,000	22,000	3,000	
	BOOKS & PERIODICALS	1,073	500	1,100	1,500	1,000	
	EQUIPMENT	1,526	1,000	1,000	1,500	500	
	DUES & FEES	5,437	5,500	5,500	5,500	-	
	TOTAL:	\$ 97,198	\$ 88,395	\$ 94,695	\$ 94,095	\$ 6,700	6.46
LANGUAGE ARTS	PROF SERVICES	-	250	250	250	-	
	REPAIR & MAINT.	-	-	-	-	-	
	TCH SUPPLIES	589	200	700	760	560	
	TEXTBOOKS	5,037	4,000	4,500	5,000	1,000	
	TITLE I EXPENSES	-	1,800	1,800	1,800	-	
	EQUIPMENT	-	-	-	-	-	
	DUES & FEES	15	900	900	1,200	300	
	TOTAL:	\$ 5,641	\$ 7,150	\$ 8,150	\$ 9,010	\$ 1,860	26.01
MATHEMATICS	PROF SERVICES	-	-	-	-	-	
	REPAIR & MAINT.	-	-	-	-	-	
	TCH SUPPLIES	826	1,500	2,000	1,750	250	
	TEXTBOOKS	2,470	9,000	8,500	5,000	(4,000)	
	EQUIPMENT	5,198	1,500	1,500	1,750	250	
	DUES & FEES	649	1,800	1,800	1,800	-	
	TOTAL:	\$ 9,143	\$ 13,800	\$ 13,800	\$ 10,300	\$ (3,500)	-25.36
MEDIA	PROF SERVICES	1,812	3,000	3,000	3,600	600	
	REPAIR & MAINT.	-	600	600	1,000	400	
	TCH SUPPLIES	2,863	2,500	2,500	2,500	-	
	TEXTBOOKS	-	250	250	250	-	
	EQUIPMENT	1,669	800	800	3,000	2,200	Plotter/Printer
	DUES & FEES	-	600	600	600	-	
	TOTAL:	\$ 6,344	\$ 7,750	\$ 7,750	\$ 10,950	\$ 3,200	41.29
MUSIC	PROF SERVICES	8,761	10,000	10,000	10,000	-	
	REPAIR & MAINT.	555	1,500	1,500	1,500	-	
	TCH SUPPLIES	5,234	10,000	9,500	10,000	-	
	TEXTBOOKS	1,082	-	300	-	-	
	EQUIPMENT	4,748	8,000	8,000	10,000	2,000	Instruments
	DUES & FEES	13,418	8,500	13,000	13,500	5,000	All-State Entry Fees
	TOTAL:	\$ 33,798	\$ 38,000	\$ 42,300	\$ 45,000	\$ 7,000	18.42
PHYS ED/HEALTH	PROF SERVICES	3,559	2,300	2,300	2,300	-	
	REPAIR & MAINT.	1,584	1,500	1,500	1,500	-	
	TCH SUPPLIES	1,032	3,400	3,400	4,000	600	
	TEXTBOOKS	118	100	100	100	-	
	EQUIPMENT	1,108	8,000	8,000	6,500	(1,500)	
	DUES & FEES	2,563	620	620	620	-	
	TOTAL:	\$ 9,961	\$ 15,920	\$ 15,920	\$ 15,020	\$ (900)	-5.65

REGULAR INSTRUCTION		2016-17	2017-18	2017-18	2018-19	\$	%
DEPARTMENT		Actual Exp	Budget	Anticipated	Proposed	INC/DEC	INC/DEC
SCIENCE	PROF SERVICES	50	200	200	200	-	
	REPAIR & MAINT.	20	3,000	3,000	3,000	-	
	TCH SUPPLIES	8,849	13,500	13,500	13,500	-	
	TEXTBOOKS	1,557	5,500	5,500	4,000	(1,500)	
	EQUIPMENT	4,928	8,500	8,500	8,600	2,100	
	DUES & FEES	388	1,200	1,200	1,200	-	
	TOTAL:	\$ 16,801	\$ 29,800	\$ 29,900	\$ 30,500	\$ 600	2.01
SOCIAL STUDIES	PROF SERVICES	-	-	-	-	-	
	REPAIR & MAINT.	-	-	-	-	-	
	TCH SUPPLIES	388	500	500	600	100	
	TEXTBOOKS	1,850	8,280	8,200	12,500	4,240	Roots & Humanities Bks.
	EQUIPMENT	-	-	-	-	-	
	DUES & FEES	-	1,000	1,000	1,000	-	
	TOTAL:	\$ 2,217	\$ 9,780	\$ 9,700	\$ 14,100	\$ 4,340	44.47
TECH ED/BUSINESS	PROF SERVICES	-	-	-	-	-	
	REPAIR & MAINT.	-	1,200	1,200	2,500	1,300	
	TCH SUPPLIES	10,799	12,500	12,500	25,000	12,500	
	TEXTBOOKS	181	-	-	250	250	
	EQUIPMENT	7,171	2,000	2,000	15,000	13,000	Laser Cutter
	DUES & FEES	152	500	500	1,000	500	
	TOTAL:	\$ 18,303	\$ 16,200	\$ 18,200	\$ 43,750	\$ 27,550	170.06
CONTINGENCY:		(Target 1% of budget about \$100K)	55,000	42,000	55,000	-	
Total:		\$ -	\$ 55,000	\$ 42,000	\$ 55,000	\$ -	0.00
Article II			\$ 3,930,420		\$ 4,122,028		

SPECIAL EDUCATION		2016-17	2017-18	2017-18	2018-19	\$	%
DEPARTMENT		Actual Exp	Budget	Anticipated	Proposed	INC/DEC	INC/DEC
SPECIAL ED	SOCIAL WORKER REIMB (TO AOS)	23,772	80,034	-	-	(80,034)	
	SOC WKR: SALARY	-	0	64,534	64,534	64,534	Changed fr AOS
	SOC WKR: BENEFITS	-	0	3,498	3,498	3,498	
	SOC WKR: BC/BS	-	0	20,000	21,834	21,834	
	RES. RM. TCHR SALARY	289,350	346,224	308,858	313,248	(32,976)	
	RES. RM.: SECRETARIES	30,084	33,448	33,448	33,846	398	
	RES. RM. ED. TECH. SAL	110,586	139,041	112,785	100,000	(39,041)	
	RES. RM. - SUBSTITUTE	5,200	6,000	6,000	6,000	-	
	RES. RM. LEARN AREA LDR STIPEND	4,607	4,672	4,672	4,672	-	
	RES. RM. BENEFITS TCHR	14,119	17,221	16,741	16,979	(242)	
	RES. RM. BENEFITS: SECR.	1,986	2,559	2,559	2,590	31	
	RES. RM. BENEFITS ET	5,227	6,952	6,113	5,150	(1,802)	
	RES. RM. BENEFITS LEARN AREA	219	234	253	253	19	
	RES. RM. BENEFITS SUBS	220	350	326	326	(24)	
	RES. RM. BC/BS TCHR	66,409	92,262	93,403	93,403	1,141	
	RES. RM.: BC/BS SECR.	19,358	21,182	21,835	21,834	652	
	RES. RM. BC/BS ED TECH	61,842	84,236	80,000	79,808	(5,236)	
	RES. RM. TUITION REIMB (TAXABLE)	-	-	-	-	-	
	RES. RM: PROF SVCS - COUNS.	-	-	-	-	-	
	RES. RM.: PROF. SVCS. - PSYC	43,555	25,000	40,000	45,000	20,000	Psyc Testing
	RES. RM: TUTORING	-	2,000	-	-	(2,000)	
	RES. RM.: OT	10,636	6,000	10,000	10,000	4,000	
	RES. RM.: PT	8,663	4,000	8,500	8,000	4,000	
	RES. RM.: THERAPY (OTHER)	-	600	400	400	(200)	
	RES. RM: REPAIR & MAINT.	-	-	-	-	-	
	RES. RM: TUITION	174,865	50,000	60,000	50,000	-	
	RES. RM: TRANSFER TO RESERVE	-	-	-	-	-	HS Reserve
	RES. RM: TRANSFER TO RESERVE	6,147	6,147	6,147	6,147	-	AOS Reserve
	RES. RM: STAFF TRAVEL	2,853	700	1,000	1,000	300	
	RES. RM: TCH SUPPLIES	6,710	5,000	6,000	6,000	1,000	
	RES. RM.: TEXTBOOKS	222	-	-	200	200	
	RES. RM.: SOFTWARE	-	-	-	-	-	
	RES. RM.: EQUIPMENT	504	400	400	500	100	
	RES. RM.: DUES & FEES	837	500	500	600	100	
	DUES & FEES: IEP Anywhere	1,484	1,000	-	1,300	300	

SPECIAL EDUCATION		2016-17	2017-18	2017-18	2018-19	\$	%
DEPARTMENT		Actual Exp	Budget	Anticipated	Proposed	INC/DEC	INC/DEC
	SPEECH TCHR. SALARY	64,807	65,534	65,534	65,534	-	
	SPEECH: BENEFITS TCHR	3,161	3,277	3,552	3,552	275	
	SPEECH: BC/BS TCHR.	7,105	7,721	7,959	7,959	238	
	SPEECH: PROF. SVCS.	2,132	1,000	2,000	2,000	1,000	
	SPEECH: REPAIR & MAINT.	-	-	-	-	-	
	SPEECH: INSTR. SUPPLIES	-	-	-	-	-	
	SPEECH: TEXTBOOKS	-	-	-	-	-	
	SPEECH: DUES & FEES	-	-	-	-	-	
	ASSESSM FOR SPEC SVCS	159,406	150,701	150,701	111,427	(39,274)	Estimate
	G & T SALARY	43,568	27,374	27,374	27,896	522	80% GT
	G & T: BENEFITS	2,146	1,369	1,484	1,484	115	
	G & T: BC/BS	12,575	8,200	8,452	8,452	252	
	G & T: PROF. SVCS.	-	-	-	-	-	
	G & T: CONTR. SVCS.	-	-	-	-	-	
	G & T: TUITION	-	1,000	1,000	1,000	-	
	G & T: STAFF TRAVEL	266	200	200	200	-	
	G & T: INSTR. SUPPLIES	252	150	150	150	-	
	G & T: TEXTBOOKS	48	200	200	200	-	
	G & T: EQUIPMENT	-	-	-	-	-	
	G & T: DUES & FEES	1,718	1,200	1,200	1,700	500	
	INTERPRETER: Interpreting Services	-	2,000	-	1,000	(1,000)	
SPECIAL EDUCATION		2016-17	2017-18	2017-18	2018-19	\$	%
DEPARTMENT		Actual Exp	Budget	Anticipated	Proposed	INC/DEC	INC/DEC
	SELF-CONT: TCHR. SAL	63,807	64,534	64,534	64,534	-	
	SELF-CONT: ED. TECHS.	105,110	135,418	134,147	186,000	50,682	
	SELF-CONT: BEN. TCHR.	3,053	3,227	3,498	3,498	271	
	SELF-CONT: BEN. ED. TECH.	5,048	6,771	7,271	10,081	3,310	
	SELF-CONT: BC/BS TCHR.	21,727	21,182	21,835	21,835	653	
	SELF-CONT: BC/BS ED. TECH.	31,381	50,372	81,000	80,000	28,628	
	SELF-CONT: PROF. SVCS.	-	-	-	-	-	
	SELF-CONT: REPAIR & MAINT.	574	-	-	-	-	
	SELF-CONT: INSTR. SUPPLIES	1,775	2,000	2,000	2,000	-	
	SELF-CONT: TEXTBOOKS	68	200	500	200	-	
	SELF-CONT: TECH. REL. SUPPL.	-	-	-	-	-	
	SELF-CONT: EQUIPMENT	-	1,000	1,002	1,000	-	
	SELF-CONT: DUES & FEES	624	650	650	650	-	
	SELF-CONT: MISCELLANEOUS	-	-	-	-	-	
	SUMMER SCHL - SALARIES	3,527	7,000	8,120	7,000	-	
	SUMMER SCHL - BENEFITS	129	300	436	380	80	
	SUMMER SCHL - STAFF TRAVEL	259	100	51	100	-	
	TOTAL:	\$ 1,423,620	\$ 1,498,442	\$ 1,502,822	\$ 1,508,146	\$ 7,704	0.51
	Article III	Special Education			\$ 1,508,146		
	Special Ed Personnel	\$ 976,350	\$ 1,166,660	\$ 1,122,189	\$ 1,188,608	\$ 8,848	0.76
	Special Ed Expenses and Supplies	\$ 263,733	\$ 110,947	\$ 141,849	\$ 139,247	\$ 28,300	25.51
		\$ 1,240,083	\$ 1,287,607	\$ 1,264,038	\$ 1,304,753	\$ 37,148	2.93

CTE EDUCATION				39 Actual	????		
VOCATIONAL ED	TUITION TO HCTC	161,601	203,000	204,000	211,000	8,000	
	TOTAL:	\$ 161,601	\$ 203,000	\$ 204,000	\$ 211,000	\$ 8,000	3.94
	Article IV	Career & Technical Education			\$ 211,000		
		2016-17	2017-18	2017-18	2018-18	\$	%
		Actual Exp	Budget	Anticipated	Proposed	INC/DEC	INC/DEC
OTHER INSTR.							
CO-CURRIC	ATHLETIC: AD DIRECTOR	79,940	82,058	82,058	82,058	-	
	ATHLETIC: BENEFITS AD DIR.	3,824	4,103	4,448	4,448	345	
	ATHLETIC: BC/BS AD DIR.	7,105	7,721	7,959	7,960	239	
	ATHLETIC: TRAINER	41,100	42,189	42,189	42,189	-	
	ATHLETIC: BENEFITS - TRAINER	3,036	3,228	3,228	3,228	-	
	ATHLETIC: BC/BS - TRAINER	7,105	7,721	7,959	7,960	238	
	ATHLETIC: SALARIES COACHES	188,057	194,000	193,500	198,000	4,000	
	ATHLETIC: BENEFITS COACHES	12,382	12,000	12,600	13,000	1,000	
	ATHLETIC: PROF. SVCS. - Rentals	51,628	20,000	20,000	17,500	(2,500)	Pool/Golf/Sailing
	ATHLETIC: OFFICIALS	Incl in Prof Svcs	40,000	55,000	60,000	20,000	
	ATHLETIC: REPAIRS & MAINT.	3,182	7,500	7,500	10,000	2,500	
	ATHLETIC: STAFF TRAVEL	14,083	12,500	14,000	15,000	2,500	
	ATHLETIC: SUPPLIES	31,081	14,000	14,000	15,000	1,000	
	ATHLETIC: EQUIPMENT	43,007	45,000	45,000	60,000	15,000	Pole Vault Pits
	ATHLETIC: DUES & FEES	17,853	12,500	15,000	12,500	-	
	ATHLETIC: TRANSPORTATION	-	-	-	-	-	
	CO-CURRIC: SALARIES	85,601	86,284	87,000	89,000	2,716	
	CO-CURRIC: BENEFITS	4,899	4,400	4,800	5,000	600	
	CO-CURRIC: OTHER PROF SVCS	13,169	12,000	12,000	12,000	-	
	CO-CURRIC: REPAIRS & MAINT.	-	-	-	-	-	
	CO-CURRIC: SUPPLIES	17,183	15,000	15,000	15,000	-	
	CO-CURRIC: EQUIPMENT	-	500	500	500	-	
	CO-CURRIC: DUES & FEES	6,833	6,500	6,500	6,500	-	
	CO-CURRIC: MISC. EXP.	643	1,100	1,100	1,100	-	
	CO-CURRIC: TRANSPORTATION	-	2,000	1,500	2,000	-	
	TOTAL:	\$ 631,493	632,304	652,841	679,943	\$ 47,639	7.53
OTHER INSTR.							
SUMM SCHOOL	SUMMER SCHOOL	2,288	2,500	2,500	2,500	-	MDI Advantage SS
	BENEFITS: SUMM. SCHL	120	121	135	135	14	
	TOTAL:	\$ 2,408	\$ 2,621	\$ 2,635	\$ 2,635	\$ 14	0.63
	Article V	Other Instruction			\$ 682,578		
STUDENT & STAFF SUPPORT							
DEPARTMENT	DIRECTOR SALS	182,493	186,749	186,750	190,131	3,382	20/10/10 Extra Days
GUIDANCE/ Co-op	SECRETARY SAL	45,972	47,488	47,488	48,008	520	
	STIPEND: LEARNING AREA LDR.	4,000	4,000	4,000	4,000	-	
	BENEFITS: DIRECTOR SALARIES	8,915	9,338	10,122	10,305	987	
	BENEFITS: SECRETARIES	3,406	3,633	3,633	3,673	40	
	BENEFITS: LEARN. AREA LDR	191	200	217	217	17	
	BC/BS: GUIDANCE DIRECTORS	68,473	63,545	65,504	65,604	1,988	
	BC/BS: SECRETARY	7,105	7,721	7,959	7,960	238	
	PROF. SVCS.	6,720	7,000	3,500	3,500	(3,500)	
	CONTR. SVCS.(SVC. AGREEM/REPAIRS	375	500	500	600	-	
	STAFF TRAVEL	1,121	1,200	1,200	2,200	1,000	

	SUPPL./POSTAGE	1,187	2,000	1,750	1,500	(500)	
	BOOKS/PERIOD.	279	250	750	300	50	
	SOFTWARE	-	-	-	-	-	
	EQUIPMENT	-	-	-	-	-	
	DUES & FEES	445	1,450	1,450	2,000	550	
	TOTAL:	\$ 320,679	\$ 335,072	\$ 334,821	\$ 339,796	\$ 4,724	1.41
STUDENT & STAFF SUPPORT							
		2016-17	2017-18	2017-18	2018-19	\$	%
		Actual Exp	Budget	Anticipated	Proposed	INC/DEC	INC/DEC
HEALTH SERV	NURSE SALARY	66,807	67,534	67,534	67,534	-	
	BENEFITS: NURSES	3,154	3,377	3,661	3,661	284	
	BC/BS: NURSES	19,402	21,182	21,835	21,835	653	
	PHYSICIAN/PHYS	4,000	4,000	4,000	4,000	-	
	FLU SHOTS/HEP B	-	-	-	-	-	
	REPAIR & MAINT.	1,204	1,500	1,500	1,500	-	AED Maint.
	INSURANCE	134	200	134	200	-	
	SUPPLIES	2,056	2,000	2,000	2,000	-	
	BOOKS	-	100	100	100	-	
	EQUIPMENT	130	600	600	600	-	
	DUES & FEES	1,291	1,000	1,000	1,000	-	
	TOTAL:	\$ 98,178	\$ 101,493	\$ 102,364	\$ 102,430	\$ 937	0.92
IMPRV INSTRUCT	ASSESSM FOR CURRIC/TECHN	131,250	133,516	133,516	158,414	24,898	Estimate
	STIPENDS-MENTOR/Cert Comm	6,595	5,000	5,000	5,000	-	
	BENEFITS - STIPENDS-MENTOR/CC	286	250	271	271	21	
	STIPENDS - INSTR. GRANTS/CURRIC	15,563	17,500	21,000	20,000	2,500	
	BENEFITS - STIPENDS-INSTR GRT	741	842	1,140	1,100	258	
	AOS 91 WORKSHPS/SPEAKERS	47	-	-	-	-	
	AOS 91 CURRIC WORK	4,272	6,420	6,468	6,480	60	\$12/student
	LOCAL WORKSHOPS/SPEAKERS	-	-	-	-	-	
	SUPPLIES	-	-	-	-	-	
	PROF EMP TRAINING - DUES & FEES	-	-	-	-	-	
	TOTAL:	\$ 158,755	\$ 163,528	\$ 167,395	\$ 191,265	\$ 27,737	16.98
LIBRARY	LIBRARIAN SALARY (Incl 10 Addtl Days)	50,932	53,365	53,365	54,245	880	
	ED TECH SALARY	24,304	26,989	26,989	27,344	355	
	STIPEND: LEARN AREA LDR.	2,426	2,596	2,596	2,596	-	
	BENEFITS: LIBRARIAN	2,470	2,669	2,893	2,941	272	
	BENEFITS: ED. TECHS.	1,097	1,350	1,463	1,482	132	
	BENEFITS: STIPEND LEARN AREA	116	130	141	141	11	
	BC/BS: LIBRARIAN	12,575	13,666	14,087	14,087	421	
	BC/BS: ED. TECHS.	15,869	17,403	17,940	17,939	536	
	REPAIR & MAINT.	36	400	400	400	-	
	SUPPLIES	1,232	1,500	1,500	1,500	-	
	BOOKS	17,808	20,000	20,000	20,000	-	
	PERIODICALS	7,424	10,000	12,000	12,000	2,000	
	AUDIOVISUALS	2,108	2,000	2,000	2,000	-	
	EQUIPMENT	1,394	2,000	2,000	2,000	-	
	DUES & FEES	322	500	500	500	-	
	TOTAL:	\$ 140,114	\$ 154,668	\$ 157,874	\$ 169,175	\$ 4,607	2.98
STUDENT & STAFF SUPPORT							
		2016-17	2017-18	2017-18	2018-19	\$	%
		Actual Exp	Budget	Anticipated	Proposed	INC/DEC	INC/DEC
TECHNOLOGY	TECHN - SALARY - TEACHERS	60,509	62,304	62,304	63,198	894	Addtl Days Included
TC	TECHN - SALARY - HARDW. SUPP MGR	40,126	41,189	41,189	41,189	-	

	STIPEND: LEARN AREA LDR.	2,559	2,596	2,596	-	(2,596)	
	TECHN - BENEFITS - TEACHERS	2,935	3,116	3,377	3,428	310	
	TECHN - BENEFITS - HRDW SUPP MGR	2,873	3,151	2,233	2,233	(918)	
	TECHN - BENEFITS - LAL	122	130	141	-	(130)	
	TECHN - BC/BS - TEACHERS	16,014	17,403	17,940	17,940	537	
	TECHN - BC/BS - HARDW SUPP MGR	12,575	13,666	14,087	14,087	421	
	PROF SERVICES (SYSTEMS ANALY)	625	1,000	750	5,000	4,000	
	REPAIRS & MAINTENANCE	581	5,000	5,000	7,500	2,600	
	STAFF TRAVEL	-	2,500	2,500	3,000	500	
	TECH SUPPLIES	984	2,500	2,500	1,000	(1,500)	
	SOFTWARE LICENSES	4,182	5,000	4,800	2,000	(3,000)	
	SOFTWARE LICENSES - AOS 91	15,672	14,000	16,000	17,000	3,000	
	TECH-RELATED EQUIP - LAPTOP PRG	134,295	150,000	148,000	140,000	(10,000)	
	TECH-RELATED EQUIP - HARDWARE	12,019	25,000	25,000	22,500	(2,500)	
	DUES & FEES	334	500	500	4,000	3,500	
	TOTAL:	\$ 308,406	\$ 348,056	\$ 348,817	\$ 344,073	\$ (4,982)	-1.43
	Article VI	Student & Staff Support			\$ 1,136,739		
SYSTEM ADMINISTRATION							
SCHOOL COMMITTEE	AUDIT	8,637	10,000	9,500	10,000	-	
	LEGAL	795	16,000	10,000	16,000	-	
	DUES/FEES/CONFS	2,004	2,000	2,100	2,100	100	
	TOTAL:	\$ 11,438	\$ 28,000	\$ 21,600	\$ 28,100	\$ 100	0.36
SYSTEM ADMINISTRATION							
SUPERINTENDENT OF	ASSESSM FOR ADMINISTRATION	142,512	156,430	156,430	181,096	24,666	Estimate
	TOTAL:	\$ 142,512	\$ 156,430	\$ 156,430	\$ 181,096	\$ 24,666	16.77
	Article VII	System Administration			\$ 209,196		
	<i>Note: Total Cost for Supt's. Office = \$ 450,937</i>						
DEPARTMENT		2016-17	2017-18	2017-18	2018-19	\$	%
SCHOOL ADMINISTRATION		Actual Exp	Budget	Anticipated	Proposed	INC/DEC	INC/DEC
PRINCIPAL'S OFFICE	PRINCIPAL SALARY	108,406	111,279	111,279	111,279	-	
	ASST PRINCIP SAL	168,480	172,944	172,944	172,944	-	
	SECRETARIES SALARY	75,477	81,480	81,480	96,474	14,994	Incl OT/Cat. Upgr/PT Hrs
	BOOKKEEPER SAL	44,932	48,446	48,446	48,866	520	
	BENEFITS: PRINCIPAL	5,156	5,564	6,032	6,032	468	
	BENEFITS: ASST. PRINCS.	8,046	8,648	9,374	9,374	726	
	BENEFITS: SECRETARIES	5,443	6,234	6,234	7,380	1,146	
	BENEFITS: BOOKKEEPER	3,437	3,707	3,707	3,748	39	
	BC/BS: PRINCIPAL	19,491	21,182	21,835	21,834	662	
	BC/BS: ASST. PRINCIPALS	29,301	31,773	32,753	32,751	978	
	BC/BS: SECRETARIES	31,709	38,585	25,543	23,834	(14,751)	
	BC/BS: BOOKKEEPER	2,000	2,000	2,000	2,000	-	
	REPAIRS & MAINT. - EQUIP.	-	1,000	500	500	(500)	
	ADVERTISING	7,398	7,000	7,000	7,500	500	
	STAFF TRAVEL	3,369	4,000	4,000	4,000	-	
	SUPPLIES/POSTAGE	8,962	12,000	10,000	10,000	(2,000)	
	GEN. SUPPLIES - EVENTS	9,819	7,500	10,000	10,000	2,500	
	BOOKS/PERIODICAL	258	500	500	500	-	
	EQUIPMENT	1,917	-	-	1,000	1,000	
	DUES & FEES, Conf Reg. (Incl. Diplomas)	3,723	5,000	5,000	4,000	(1,000)	
	TOTAL:	\$ 637,328	\$ 688,842	\$ 668,627	\$ 674,114	\$ 5,272	0.93
FISCAL SERVICES	PAYROLL SUPPLIES	353	500	500	500	-	
	TOTAL:	\$ 353	\$ 500	\$ 500	\$ 500	\$ -	0.00
	Article VIII	School Administration			\$ 574,614		

TRANSPORTATION & BUSES							
TRANSPORT.	BUS DRIVER SAL: EXTRA CURRIC	53,205	49,000	52,500	52,500	3,500	\$15/hour
	BUS DRIVER SAL: HCTC	28,320	34,302	34,302	34,767	465	
	BUS DRIVER SAL : HANCOCK	15,910	17,147	16,913	17,147	-	
	BENEFITS: BUS DRIVER - EC	4,046	3,750	4,200	4,200	450	
	BENEFITS: BUS DRIVER - HCTC	5,885	5,883	5,918	5,998	115	9.5% MePERS +ss/med
	BENEFITS: BUS DRIVER - HANCOCK	1,217	1,312	1,294	1,312	-	
	BC/BS - BUS DRIVER - HCTC	19,407	21,182	21,834	21,834	652	
	PHYSICALS	101	800	750	800	-	
	REPAIR & MAINT.	32,214	25,000	25,000	25,000	-	
	TRANSP PURCH PRIVATE	7,925	-	-	-	-	
	TRANSP PRIV - SPEC -OUT OF D	5,431	15,000	20,000	20,000	5,000	
	BUS INSURANCE	3,565	4,000	4,070	4,300	300	
	STAFF TRAVEL	860	400	850	1,000	600	
	PARTS & SUPPLIES	227	300	300	300	-	
	FUEL	24,831	35,000	29,000	30,000	(5,000)	
	EQUIPMENT - PURCHASE OF VAN	18,502	-	-	-	-	See Addtl Items List
	BUS RESERVE/PURCHASE OF BUS	77,325	28,000	28,000	28,000	-	
	TOTAL:	\$ 298,770	\$ 241,076	\$ 244,931	\$ 247,158	\$ 6,082	2.52
	Article IX	Transportation & Buses			\$ 247,158		
FACILITIES MAINTENANCE		2016-17	2017-18	2017-18	2018-19	\$	%
DEPARTMENT		Actual Exp	Budget	Anticipated	Proposed	INC/DEC	INC/DEC
OPER. & MAINT. PLAN	CUSTODIAN SAL	311,635	323,160	324,923	328,543	5,383	
	BENEFITS: CUSTODIANS	42,483	44,925	44,000	45,000	75	9.5% MePERS PLD
	BC/BS: CUSTODIANS	103,584	115,794	111,553	111,553	(4,241)	
	BLOG INSURANCE	28,169	31,000	28,084	31,000	-	
	TELEPHONE	11,888	13,500	13,000	13,500	-	
	SUPPLIES	43,599	50,000	50,000	50,000	-	
	ELECTRICITY	107,842	110,000	109,000	110,000	-	
	LP GAS	9,256	17,000	13,000	14,000	(3,000)	
	HEATING OIL	37,180	75,000	75,000	80,000	5,000	31Kg \$2.50/Kero/Over
	PURCH OF EQUIPMENT	38,085	77,500	80,000	57,500	(20,000)	
	DUES/FEES/CONFS	480	2,250	1,000	1,000	(1,250)	
	MISC. EXP. - UNIFORMS	600	800	800	800	-	
	RUBBISH REMOVAL	4,251	4,500	4,500	4,500	-	
	REPAIRS/MAINT - BUILDING	93,018	75,000	75,000	75,000	-	
	GROUNDS	79,558	80,000	80,000	80,000	-	
	REPAIRS/MAINT - EQUIPMENT	2,898	30,000	20,000	10,000	(20,000)	
	CAP RENOV: INTEREST (ROOF PROJ)	7,101	8,419	8,419	3,852	(2,567)	
	CAP RENOV: PRINCIPAL (ROOF PROJ)	65,000	65,000	65,000	65,000	-	Paym 8 of 10
	CAP RENOV: INTEREST (SUMM PROJ)	-	-	18,850	18,538	18,538	
	CAP RENOV: PRINCIPAL (SUMM PROJ)	-	-	100,000	100,000	100,000	Payment 2 of 10
	CAP RENOV: INTEREST (Boiler PROJ)	3,550	2,907	2,907	2,281	(646)	
	CAP RENOV: PRINCIPAL (Boiler PROJ)	24,800	24,600	24,600	24,600	-	Paym 7 of 10
	TOTAL:	\$ 1,014,737	\$ 1,148,365	\$ 1,247,638	\$ 1,226,647	\$ 77,282	214,251
	98,926						6.72
FACILITIES MAINTENANCE							
CAPITAL OUTLAY	LAND IMPROVEMENT	97,416	-	-	-	-	
	BUILDINGS	14,310	351,074	232,224	280,749	(90,326)	See Debt Svc Payments
	EQUIP./CONTING.	210,494	-	-	-	-	
	TOTAL:	\$ 322,221	\$ 351,074	\$ 232,224	\$ 280,749	\$ (90,326)	-25.73
	Article X	Facilities Maintenance			\$ 1,487,396		

		2016-17	2017-18	2017-18	2018-19	\$	%
		Actual Exp	Budget	Anticipated	Proposed	INC/DEC	INC/DEC
DEBT SERVICE							
DEPARTMENT							
DEBT SERVICE	INTEREST	44,875	33,856	33,856	5,263	(26,393)	Last paym - 11/1/2020
	PRINCIPAL	380,100	380,100	380,100	380,100	-	Paym 18 of 20
	TOTAL:	\$ 424,975	\$ 413,766	\$ 413,766	\$ 385,363	\$ (28,393)	-6.88
	Article XI	Debt Service & Other Commitments			\$ 385,363		
OTHER EXPENDITURES							
FOOD SERVICES	SCHOOL LUNCH: SALARIES	-	-	-	-	-	
	BENEFITS: SCHL. LUNCH	-	-	-	-	-	
	BC/BS: SCHOOL LUNCH	-	-	-	-	-	
	INTERFUND TRANS	125,000	125,000	135,000	135,000	10,000	
	TOTAL:	\$ 125,000	\$ 125,000	\$ 135,000	\$ 135,000	\$ 10,000	8.00
	Article XII	All Other Expenditures			\$ 135,000		
SUBTOTAL BUDGET		\$ 9,809,093	\$ 10,404,536	\$ 10,403,647	\$ 10,697,218	\$ 292,682	2.81%
	Article XVI	Total Expenditures			\$ 10,697,218		
ADULT EDUC.	FUND TRANSFER	61,980	132,806	132,806	134,000	1,194	
	TOTAL:	\$ 61,980	\$ 132,806	\$ 132,806	\$ 134,000	\$ 1,194	0.90
	Article XVII	Adult Education			\$ 134,000		
TOTAL BUDGET		\$ 9,871,073	\$ 10,537,342	\$ 10,536,453	\$ 10,831,218	\$ 293,876	2.79%
				\$ 889		293,876	2.79
	Budget Changes						Cost Center
	Part-time Secretary (20hrsx 37 wks)		Included in Princ. Office		\$ -	\$ -	School Administration
	Total Addtl Items				\$ -	\$ -	0.00%
	Total Budget w Addtl. Items				\$ 10,831,218	\$ 293,876	2.79%
	Total Assessment w Addtl. Items				\$ 8,231,618	\$ 18,361	0.22%
Remaining Debt	Principal \$380,100 each year	2017-18	2018-19	2019-20	2020-21	No interest in last 2 years of Debt because of MMBB refinancing	
Service Payments	Interest	\$ 33,656	\$ 5,263	\$ -	\$ -		
		2016-17	2017-18	2017-18	2018-19	\$	%
		Actual Exp	Budget	Anticipated	Proposed	INC/DEC	INC/DEC
Total Salaries	TOTAL SALARIES	\$ 4,773,292	\$ 4,980,316	\$ 4,916,443	\$ 5,014,604	\$ 34,288	
	Total BC/BS	\$ 1,299,275	\$ 1,485,659	\$ 1,483,992	\$ 1,513,642	\$ 27,983	



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, 2017, 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, 2017, 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 11 and 60 through 63 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 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 February 23, 2018, 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
February 23, 2018

**REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2017**

(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, 2017. 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 three 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 and permanent fund - cemetery trust. 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, a Schedule of Contributions and Notes to Required Supplementary Information.

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 increased by \$179,898 from \$16,797,857 to \$16,977,755.

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 - decreased for governmental activities to a balance of \$3,928,929 at the end of this year.

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

	Governmental Activities		Business-type Activities	
	2016			
	2017	(Restated)	2017	2016
Assets				
Current Assets	\$ 4,905,415	\$ 5,046,235	\$ -	\$ -
Noncurrent Assets	-	-	4,086,175	4,365,144
Capital Assets	15,866,691	15,957,997	-	-
Total Assets	20,772,106	21,004,232	4,086,175	4,365,144
Deferred Outflows of Resources				
Deferred Outflows Related to Pensions	62,942	67,362	-	-
Total Deferred Outflows of Resources	62,942	67,362	-	-
Liabilities				
Current Liabilities	929,663	912,239	280,174	278,968
Long-term Debt Outstanding	2,886,587	3,323,231	3,806,001	4,086,176
Total Liabilities	3,816,250	4,235,470	4,086,175	4,365,144
Deferred Inflows of Resources				
Prepaid Taxes	19,366	18,081	-	-
Deferred Inflows Related to Pensions	21,677	20,186	-	-
Total Deferred Inflows of Resources	41,043	38,267	-	-
Net Position				
Net Investment in Capital Assets	12,563,055	12,223,302	-	-
Restricted	485,771	537,938	-	-
Unrestricted	3,928,929	4,036,617	-	-
Total Net Position	\$ 16,977,755	\$ 16,797,857	\$ -	\$ -

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

	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Revenues				
<i>Program Revenues:</i>				
Charges for Services	\$ 256,857	\$ 246,333	\$ -	\$ 696,218
Operating Grants and Contributions	483,922	455,797	-	-
Capital Grants and Contributions	107,382	-	-	10,680
<i>General Revenues:</i>				
Taxes	7,523,642	7,486,737	-	-
Grants and Contributions Not Restricted to Specific Programs	96,506	87,207	-	-
Miscellaneous	172,026	347,498	-	27,421
Total Revenues	<u>8,640,335</u>	<u>8,623,572</u>	<u>-</u>	<u>734,319</u>
Expenses				
General Government	549,080	682,371	-	-
Protection	896,957	1,117,538	-	-
Health and Sanitation	-	503,210	-	-
Public Works	785,171	1,214,398	-	-
Education	4,573,516	4,432,329	-	-
County Tax	246,452	244,901	-	-
Social Services	225,674	201,164	-	-
Unclassified	684,332	348,456	-	-
State of Maine On-behalf Payments	283,313	179,027	-	-
Interest on Long-term Debt	214,509	83,842	-	-
Capital Outlay	1,433	-	-	-
Water Fund	-	-	-	479,116
Sewer Fund	-	-	-	405,638
Total Expenses	<u>8,460,437</u>	<u>9,007,236</u>	<u>-</u>	<u>884,754</u>
Transfers	<u>-</u>	<u>(61,807)</u>	<u>-</u>	<u>61,807</u>
Transfer of Assets to Southwest Harbor Public Utilities District	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,823,571)</u>
Change in Net Position	179,898	(445,471)	-	(3,912,199)
Net Position - July 1, Restated	<u>16,797,857</u>	<u>17,243,328</u>	<u>-</u>	<u>3,912,199</u>
Net Position - June 30	<u><u>\$ 16,977,755</u></u>	<u><u>\$ 16,797,857</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

Revenues and Expenses

Revenues for the Town's governmental activities increased by .19%, while total expenses decreased by 6.07%. The main increase in revenues was in capital grants and contributions and the largest decrease in expenses was in health and sanitation. Several categories have been changed in the prior year so comparative numbers are not consistent with several departments.

There are no proprietary fund revenues and expenses 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,

	2017	2016 (Restated)
Major funds:		
General fund:		
Nonspendable	\$ 694,457	\$ 619,862
Restricted	182,122	82,299
Assigned	-	6,000
Unassigned	1,880,413	1,933,633
Subtotal general fund	<u>2,756,992</u>	<u>2,641,794</u>
Permanent fund - cemetery trust:		
Restricted	107,082	108,149
Total major funds	<u>\$ 2,864,074</u>	<u>\$ 2,725,165</u>
Nonmajor funds:		
Special revenue funds:		
Nonspendable	\$ 910	\$ -
Restricted	196,567	347,490
Committed	1,360,168	1,444,605
Unassigned	(139,966)	(67,133)
Total nonmajor funds	<u>\$ 1,417,679</u>	<u>\$ 1,724,962</u>

The general fund total fund balance increased by \$115,198 from the prior fiscal year. The other major fund balances decreased by \$1,067 from the prior fiscal year. The nonmajor fund balances decreased by \$307,283 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 \$117,387. This was mainly the result of excise taxes, education, and miscellaneous revenue categories being receipted in excess of the budgeted amounts.

The general fund actual expenditures were under the budget by \$233,673. All expenditure categories were under budget with the exception of general government and debt service.

Capital Asset and Debt Administration

Capital Assets

As of June 30, 2017, the net book value of capital assets recorded by the Town decreased by \$91,306. This decrease was the result of current year depreciation of \$703,793 net of capital additions of \$612,487. 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>2017</u>	<u>2016 (Restated)</u>
Land and improvements	\$ 553,750	\$ 570,965
Buildings and building improvements	5,092,091	5,279,800
Machinery and equipment	621,690	551,945
Vehicles	838,551	934,453
Infrastructure	<u>8,760,609</u>	<u>8,620,834</u>
Total	<u>\$ 15,866,691</u>	<u>\$ 15,957,997</u>

Long-Term Debt Activity

At June 30, 2017, the Town had \$7,349,690 in bonds outstanding versus \$8,086,721 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, 2017

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 3,821,576	\$ -	\$ 3,821,576
Investments	115,964	-	115,964
Accounts receivable (net of allowance for uncollectibles):			
Taxes	2,284	-	2,284
Liens	202,367	-	202,367
Other	61,305	-	61,305
Inventory	22,835	-	22,835
Tax acquired property	28,786	-	28,786
Prepaid items	33,445	-	33,445
Due from other governments	616,853	-	616,853
Total current assets	4,905,415	-	4,905,415
Noncurrent assets:			
Receivable for long-term debt obligation from Southwest Harbor Public Utilities District	-	4,086,175	4,086,175
Capital assets:			
Land and other assets not being depreciated	461,184	-	461,184
Depreciable assets, net of accumulated depreciation	15,405,527	-	15,405,527
Total noncurrent assets	15,866,691	4,086,175	19,952,866
TOTAL ASSETS	20,772,106	4,086,175	24,858,281
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	62,942	-	62,942
TOTAL DEFERRED OUTFLOWS OF RESOURCES	62,942	-	62,942
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 20,835,048	\$ 4,086,175	\$ 24,921,223
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 185,765	\$ -	\$ 185,765
Accrued payroll and benefits	198,074	-	198,074
Other liabilities	2,406	-	2,406
Current portion of long-term obligations	543,418	280,174	823,592
Total current liabilities	929,663	280,174	1,209,837
Noncurrent liabilities:			
Noncurrent portion of long-term obligations:			
Bonds payable	2,804,853	3,806,001	6,610,854
Capital leases payable	30,942	-	30,942
Net pension liability	50,792	-	50,792
Total noncurrent liabilities	2,886,587	3,806,001	6,692,588
TOTAL LIABILITIES	3,816,250	4,086,175	7,902,425
DEFERRED INFLOWS OF RESOURCES			
Prepaid taxes	19,366	-	19,366
Deferred inflows related to pensions	21,677	-	21,677
TOTAL DEFERRED INFLOWS OF RESOURCES	41,043	-	41,043
NET POSITION			
Net investment in capital assets	12,583,055	-	12,583,055
Restricted	485,771	-	485,771
Unrestricted	3,928,929	-	3,928,929
TOTAL NET POSITION	16,977,755	-	16,977,755
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 20,835,048	\$ 4,086,175	\$ 24,921,223

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, 2017

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities	Business- type Activities	Total
Governmental activities:							
General government	\$ 549,080	\$ 136,338	\$ -	\$ -	\$ (412,742)	\$ -	\$ (412,742)
Protection	896,957	-	-	-	(896,957)	-	(896,957)
Public works	785,171	118,623	17,580	-	(648,968)	-	(648,968)
Education	4,573,516	1,896	183,029	-	(4,388,591)	-	(4,388,591)
County tax	246,452	-	-	-	(246,452)	-	(246,452)
Social services	225,674	-	-	-	(225,674)	-	(225,674)
Unclassified	684,332	-	-	107,382	(576,950)	-	(576,950)
State of Maine on-behalf payments	283,313	-	283,313	-	-	-	-
Interest on long-term debt	214,509	-	-	-	(214,509)	-	(214,509)
Capital outlay	1,433	-	-	-	(1,433)	-	(1,433)
Total governmental activities	8,460,437	256,857	483,922	107,382	(7,612,276)	-	(7,612,276)
Business-type activities:							
Water fund	-	-	-	-	-	-	-
Sewer fund	-	-	-	-	-	-	-
Total business-type activities	-	-	-	-	-	-	-
Total government	\$ 8,460,437	\$ 256,857	\$ 483,922	\$ 107,382	(7,612,276)	-	(7,612,276)

STATEMENT B (CONTINUED)
TOWN OF SOUTHWEST HARBOR, MAINE

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Changes in net position:			
Net (expense) revenue	<u>(7,612,276)</u>	<u>-</u>	<u>(7,612,276)</u>
General revenues:			
Taxes:			
Property taxes, levied for general purposes	7,070,183	-	7,070,183
Excise taxes	453,459	-	453,459
Grants and contributions			
not restricted to specific programs	96,506	-	96,506
Miscellaneous	172,026	-	172,026
Total general revenues	<u>7,792,174</u>	<u>-</u>	<u>7,792,174</u>
Change in net position	179,898	-	179,898
NET POSITION - JULY 1, RESTATED	<u>16,797,857</u>	<u>-</u>	<u>16,797,857</u>
NET POSITION - JUNE 30	<u>\$ 16,977,755</u>	<u>\$ -</u>	<u>16,977,755</u>

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

STATEMENT C

TOWN OF SOUTHWEST HARBOR, MAINE

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2017

	General Fund	Special Revenue Funds	Permanent Fund - Cemetery Trust	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 3,365,054	\$ 455,069	\$ 1,453	\$ 3,821,576
Investments	-	10,335	105,629	115,964
Accounts receivable (net of allowance for uncollectibles):				
Taxes	2,284	-	-	2,284
Liens	202,367	-	-	202,367
Other	61,305	-	-	61,305
Inventory	21,925	910	-	22,835
Tax acquired property	28,786	-	-	28,786
Prepaid items	33,445	-	-	33,445
Due from other governments	616,853	-	-	616,853
Due from other funds	-	952,274	-	952,274
TOTAL ASSETS	<u>\$ 4,332,019</u>	<u>\$ 1,418,588</u>	<u>\$ 107,082</u>	<u>\$ 5,857,689</u>
LIABILITIES				
Accounts payable	\$ 184,856	\$ 909	\$ -	\$ 185,765
Accrued payroll	198,074	-	-	198,074
Other liabilities	2,406	-	-	2,406
Due to other funds	952,274	-	-	952,274
TOTAL LIABILITIES	<u>1,337,610</u>	<u>909</u>	<u>-</u>	<u>1,338,519</u>
DEFERRED INFLOWS OF RESOURCES				
Prepaid taxes	19,366	-	-	19,366
Deferred tax revenue	218,051	-	-	218,051
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>237,417</u>	<u>-</u>	<u>-</u>	<u>237,417</u>
FUND BALANCES				
Nonspendable	694,457	910	-	695,367
Restricted	182,122	196,567	107,082	485,771
Committed	-	1,360,168	-	1,360,168
Assigned	-	-	-	-
Unassigned	1,880,413	(139,966)	-	1,740,447
TOTAL FUND BALANCES	<u>2,756,992</u>	<u>1,417,679</u>	<u>107,082</u>	<u>4,281,753</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 4,332,019</u>	<u>\$ 1,418,588</u>	<u>\$ 107,082</u>	<u>\$ 5,857,689</u>

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, 2017

	Total Governmental Funds
Total Fund Balances	\$ 4,281,753
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	15,866,691
Deferred outflows of resources related to pensions are not financial resources and therefore are not reported in the funds	62,942
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	218,051
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	(40,121)
Bonds payable	(3,263,515)
Accrued compensated absences	(75,577)
Net pension liability	(50,792)
Deferred inflows of resources related to pensions are not financial resources and therefore are not reported in the funds	(21,677)
Net position of governmental activities	<u>\$ 16,977,755</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, 2017

	General Fund	Special Revenue Funds	Permanent Fund - Cemetery Trust	Total Governmental Funds
REVENUES				
Taxes:				
Property Taxes	\$ 7,021,824	\$ -	\$ -	\$ 7,021,824
Excise Taxes	453,459	-	-	453,459
Intergovernmental Revenues	414,606	107,382	-	521,988
Interest Revenues	17,513	20,435	101	38,049
Charges for Services	256,857	-	-	256,857
Miscellaneous Revenues	64,256	69,351	370	133,977
TOTAL REVENUES	8,228,515	197,168	471	8,426,154
EXPENDITURES				
Current:				
General Government	373,173	157,167	-	530,340
Protection	793,795	2,320	-	796,115
Public Works	395,794	5,934	-	401,728
Education	4,501,444	228,662	-	4,730,106
County Tax	246,452	-	-	246,452
Social Services	203,964	21,710	-	225,674
Unclassified	646,117	-	1,538	647,655
State of Maine On-behalf Payments	117,491	-	-	117,491
Debt Service:				
Principal	196,562	-	-	196,562
Interest	214,509	-	-	214,509
Capital Outlay	-	533,511	-	533,511
TOTAL EXPENDITURES	7,689,301	949,304	1,538	8,640,143
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	539,214	(752,136)	(1,067)	(213,989)
OTHER FINANCING SOURCES (USES)				
Lease Proceeds	20,837	-	-	20,837
Transfers In	60,955	545,372	-	606,327
Transfers (Out)	(505,808)	(100,519)	-	(606,327)
TOTAL OTHER FINANCING SOURCES (USES)	(424,016)	444,853	-	20,837
NET CHANGE IN FUND BALANCES	115,198	(307,283)	(1,067)	(193,152)
FUND BALANCES - JULY 1, RESTATED	2,641,794	1,724,962	108,149	4,474,905
FUND BALANCES - JUNE 30	\$ 2,756,992	\$ 1,417,679	\$ 107,082	\$ 4,281,753

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

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, 2017

Net change in fund balances - total governmental funds (Statement E)	\$ (193,152)
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 acquisitions	612,487
Depreciation expense	(703,793)
	<u>(91,306)</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>(4,420)</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>476,276</u>
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases short-term liabilities in the Statement of Net Position	<u>(45,217)</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>(1,491)</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	(15,023)
Net pension liability	5,872
	<u>(9,151)</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>48,359</u>
Change in net position of governmental activities (Statement B)	<u>\$ 179,898</u>

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

STATEMENT G

TOWN OF SOUTHWEST HARBOR, MAINE

STATEMENT OF NET POSITION - PROPRIETARY FUNDS
JUNE 30, 2017

	Enterprise Funds		Total
	Water	Sewer	Enterprise
	Fund	Fund	Funds
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	2,532,897	1,553,278	4,086,175
Total noncurrent assets	2,532,897	1,553,278	4,086,175
TOTAL ASSETS	\$ 2,532,897	\$ 1,553,278	\$ 4,086,175
LIABILITIES			
Current liabilities:			
Due to other funds	\$ -	\$ -	\$ -
Current portion of long-term obligations	188,753	91,421	280,174
Total current liabilities	188,753	91,421	280,174
Noncurrent liabilities:			
Noncurrent portion of long-term obligations:			
Bonds payable	2,344,144	1,461,857	3,806,001
Total noncurrent liabilities	2,344,144	1,461,857	3,806,001
TOTAL LIABILITIES	2,532,897	1,553,278	4,086,175
NET POSITION			
Net investment in capital assets	-	-	-
Restricted	-	-	-
Unrestricted	-	-	-
TOTAL NET POSITION	-	-	-
TOTAL LIABILITIES AND NET POSITION	\$ 2,532,897	\$ 1,553,278	\$ 4,086,175

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, 2017

	Enterprise Funds		Total Enterprise Funds
	Water Fund	Sewer Fund	
OPERATING REVENUES			
Other	\$ -	\$ -	\$ -
TOTAL OPERATING REVENUES	-	-	-
OPERATING EXPENSES			
Miscellaneous expenses	-	-	-
TOTAL OPERATING EXPENSES	-	-	-
OPERATING INCOME (LOSS)	-	-	-
NONOPERATING REVENUES (EXPENSES)			
Interest income	-	-	-
Interest expense	-	-	-
TOTAL NONOPERATING REVENUES (EXPENSES)	-	-	-
CHANGE IN NET POSITION	-	-	-
NET POSITION - JULY 1	-	-	-
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, 2017

	Enterprise Funds		Total Enterprise Funds
	Water Fund	Sewer Fund	
CASH FLOWS FROM OPERATING ACTIVITIES			
Other receipts	\$ -	\$ -	\$ -
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	-	-	-
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Long-term debt obligation from Southwest Harbor Public Utilities District	188,101	90,868	278,969
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	188,101	90,868	278,969
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Principal payments on long-term debt	(188,101)	(90,868)	(278,969)
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	(188,101)	(90,868)	(278,969)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	-	-	-
CASH AND CASH EQUIVALENTS - JULY 1	-	-	-
CASH AND CASH EQUIVALENTS - JUNE 30	\$ -	\$ -	\$ -
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income (loss)	\$ -	\$ -	\$ -
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ -	\$ -	\$ -

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, 2017

	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	\$ 1,105	\$ 64,947	\$ 34,595	\$ 8,039	\$ 108,686	\$ 1,105
Investments, at fair value	43,582	-	-	-	43,582	58,447
TOTAL ASSETS	<u>\$ 44,687</u>	<u>\$ 64,947</u>	<u>\$ 34,595</u>	<u>\$ 8,039</u>	<u>\$ 152,268</u>	<u>\$ 59,552</u>
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deposits held for others	-	-	-	-	-	59,552
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ 59,552</u>
NET POSITION						
Restricted-held in trust for special purposes	44,687	64,947	34,595	8,039	152,268	-
TOTAL NET POSITION	<u>44,687</u>	<u>64,947</u>	<u>34,595</u>	<u>8,039</u>	<u>152,268</u>	
TOTAL LIABILITIES AND NET POSITION	<u>\$ 44,687</u>	<u>\$ 64,947</u>	<u>\$ 34,595</u>	<u>\$ 8,039</u>	<u>\$ 152,268</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, 2017

	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	-	77	56,316	14,236	70,629
Investment earnings, net of unrealized gains/(losses)	6,245	-	-	-	6,245
Total additions	6,245	24,077	56,316	14,236	100,874
DEDUCTIONS					
School activities	-	29,711	28,560	14,390	72,661
Total deductions	-	29,711	28,560	14,390	72,661
Change in net position	6,245	(5,634)	27,756	(154)	28,213
NET POSITION - JULY 1	38,442	70,581	6,839	8,193	124,055
NET POSITION - JUNE 30	\$ 44,687	\$ 64,947	\$ 34,595	\$ 8,039	\$ 152,268

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

TOWN OF SOUTHWEST HARBOR, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Proprietary Funds

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. Operating revenues include charges for services, intergovernmental reimbursements and other miscellaneous fees which are a direct result of the proprietary activity. Nonoperating revenues are any revenues which are generated outside of the general proprietary activity, i.e. interest income. The following is a description of the proprietary funds of the Town:

- a. Enterprise Funds are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) established fees and charges based on a pricing policy designed to recover similar costs.

3. Fiduciary Funds:

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support Town programs. The reporting focus is on net assets and changes in net position and is reported using accounting principles similar to proprietary funds.

The Town's fiduciary funds are presented in the fiduciary fund financial statements by type (private-purpose and agency). Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide financial statements.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Nonmajor funds by category are summarized into a single column, GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, or expenses of either the fund category or the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a column in the fund financial statements.

TOWN OF SOUTHWEST HARBOR, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

1. Accrual

Governmental activities in the government-wide financial statements and fiduciary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

2. Modified Accrual

The governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

Budget

The Town's policy is to adopt an annual budget for operations. The budget is presented on the modified accrual basis of accounting which is consistent with generally accepted accounting principles.

The following procedures are followed in establishing budgetary data reflected in the financial statements:

1. Early in the second half of the year the Town prepares a budget for the fiscal year beginning July 1. The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the inhabitants of the Town is called for the purpose of adopting the proposed budget after public notice of the meeting is given.
3. The budget is adopted subsequent to passage by the inhabitants of the Town.

TOWN OF SOUTHWEST HARBOR, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. The Town does not adopt budgets for Special Revenue Funds.

Deposits and Investments

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

It is the Town's policy to value investments at fair value. None of the Town's investments are reported at amortized cost. For purposes of the statement of cash flows, all highly liquid investments with a maturity of three months or less when purchased are considered to be cash equivalents. The Town Treasurer is authorized by State Statutes to invest all excess funds in the following:

- Obligations of the U.S. Government, its agencies and instrumentalities.
- Certificates of deposits and other evidences of deposits at banks, savings and loan associations, and credit unions.
- Repurchase agreements
- Money market mutual funds

The Town of Southwest Harbor, Maine has a formal investment policy, and also follows the State of Maine Statutes.

Receivables

Receivables include amounts due from governmental agencies and local businesses. All receivables are current and therefore due within one year. Receivables are reported net of an allowance for uncollectible accounts and revenues net of uncollectibles. Allowances are reported when accounts are proven to be uncollectible. Allowances for uncollectible accounts netted with accounts receivable were \$678,158 for the year ended June 30, 2017. The allowance for uncollectible accounts is estimated to be \$0 as of June 30, 2017.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

TOWN OF SOUTHWEST HARBOR, MAINE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Inventories

Inventories consist of expendable supplies held for consumption and are valued at cost determined using the last-in, first-out (LIFO) method. Under the consumption method, the costs of inventory items are recognized as expenditures when used. In the general fund, inventory under this method consists of diesel fuel and gasoline and totals \$21,925. The school lunch fund portion of general fund inventory of \$910, consists of school nutrition supplies and food on hand at the end of the year, valued at cost. The cost value is determined using the first-in, first-out (FIFO) method.

Interfund Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds". While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Any residual balances outstanding between governmental activities and business-type activities are reported in the governmental-wide financial statements as "internal balances".

Transactions Between Funds

Legally authorized transfers are treated as interfund transfers and are included in the results of operations of both Governmental and Proprietary Funds.

Capital Assets

Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Infrastructure such as streets, traffic signals, and signs are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the estimated useful lives.

The assets are valued at historical cost when available and estimated historical cost where actual invoices or budgetary data was unavailable. Donated fixed assets are valued at their estimated fair market value on the date received. All retirements have been recorded by eliminating the net carrying values.

TOWN OF SOUTHWEST HARBOR, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Infrastructure assets include roads, bridges, underground pipe (other than related to independently owned utilities), traffic signals, etc. These infrastructure assets are likely to be the largest asset class of the Town. The Town has not retroactively recorded infrastructure.

Estimated useful lives are as follows:

Buildings	20 - 50 years
Infrastructure	50 - 100 years
Machinery and equipment	3 - 50 years
Vehicles	3 - 25 years

Long-term Obligations

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental and business-type resources is reported as liabilities in government-wide statements. The long-term debt consists primarily of bonds payable, capital leases payable, compensated absences and net pension liability.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. The accounting for proprietary funds is the same in the fund statements as it is in the government-wide statements.

Compensated Absences

The Town's policies regarding vacation and sick time do permit employees to accumulate earned but unused vacation and sick leave. The liability for these compensated absences is recorded as long-term debt in the government-wide financial statements. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable available financial resources, while the proprietary funds report the liability as it is incurred. As of June 30, 2017, the Town's liability for compensated absences is \$75,577. The School Department share of this liability is \$28,823.

TOWN OF SOUTHWEST HARBOR, MAINE

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the State Employee and Teacher (SET) Plan and additions to/deductions from the SET Plan's fiduciary net position have been determined on the same basis as they are reported by the SET Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Net Position

Net position represents the difference between all other elements in a statement of financial position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on its use either through enabling legislations adopted by the Town or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or restricted net position.

Fund Balances

In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the Town is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components – nonspendable, restricted, committed, assigned and unassigned.

Nonspendable – This includes amounts that cannot be spent either because they are not in spendable form or because they are legally or contractually required to be maintained intact.

Restricted – This includes amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

TOWN OF SOUTHWEST HARBOR, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Committed – This includes amounts that can be used only for specific purposes determined by a formal action of the inhabitants of the Town. The inhabitants of the Town through Town meetings are the highest level of decision-making authority of the Town. Commitments may be established, modified, or rescinded only through a Town meeting vote.

Assigned – This includes amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. The authority for assigning fund balance is expressed by the Board of Selectmen.

Unassigned – This includes all other spendable amounts. The general fund is the only fund that reports a positive unassigned fund balance amount. Other governmental funds besides the general fund can only report a negative unassigned fund balance amount.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, the Town considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Town considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Town meeting vote has provided otherwise in its commitment or assignment actions.

Deferred Outflows and Inflows of Resources

In addition to assets, the statement of financial position and/or balance sheet will at times report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town currently has one item in this category: deferred outflows related to pensions.

In addition to liabilities, the statement of financial position and or balance sheet will at times report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town has three types of items, deferred tax revenues, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, this item is reported in the governmental funds balance sheet. Prepaid taxes also qualify for reporting in this category. This item is reported in both the statements of net position and governmental funds balance sheet. Deferred inflows related to pensions qualify for reporting in this category as well.

TOWN OF SOUTHWEST HARBOR, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

This item is reported only in the statement of net position. All items in this category are deferred and recognized as inflows of resources in the period that the amounts become available.

Revenue Recognition - Property Taxes - Modified Accrual Basis

The Town's property tax for the current year was levied July 1, 2016 on the assessed value listed as of April 1, 2016, for all real and personal property located in the Town. Taxes were due on in two installments on September 1, 2016 and February 1, 2017. Interest on unpaid taxes commenced on September 2, 2016 and February 2, 2017, at 7% per annum.

Property tax revenues are recognized when they become available. Available includes those property tax receivables expected to be collected within sixty days after year end. The remaining receivables have been recorded as deferred revenues.

The Town is permitted by the laws of the State of Maine to levy taxes up to 105% of its net budgeted expenditures for the related fiscal period. The amount raised in excess of 100% is referred to as overlay, and amounted to \$92,691 for the year ended June 30, 2017.

Tax liens are placed on real property within twelve months following the tax commitment date if taxes are delinquent. The Town has the authority to foreclose on property eighteen months after the filing of the lien if tax liens and associated costs remain unpaid.

Program Revenues

Program revenues include all directly related income items applicable to a particular program (charges to customers or applicants for goods, services, or privileges provided; operating or capital grants and contributions, including special assessments).

Operating/Nonoperating Proprietary Fund Revenues

Operating revenues consist mainly of direct revenue sources and/or charges for services applicable to that fund's ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

TOWN OF SOUTHWEST HARBOR, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Encumbrance Accounting

Encumbrances are not liabilities and, therefore, are not recorded as expenditures until receipt of material or service. For budgetary purposes, appropriations lapse at fiscal year-end. The Town does not utilize encumbrance accounting for its general fund.

Use of Estimates

During the preparation of the Town's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets, liabilities, and disclosure of contingent items as of the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results may differ from these estimates.

NOTE 2 - DEPOSITS AND INVESTMENTS

The Town's investment policies, which follow state statutes, require that all investments be made considering the safe and sound investment of principal and preservation of capital in the overall portfolio, maintenance of sufficient liquidity to meet day-to-day operations and other cash requirements and maximization of income, within established investment risk guidelines, with consistent cash flows throughout the budgetary cycle. These investment policies apply to all Town funds.

Deposits:

Custodial credit risk for deposits is the risk that, in the event of a failure of a depository financial institution, the Town will not be able to recover its deposits. The Town does not have a policy specifically covering custodial credit risk for deposits. However, the Town maintains deposits in qualifying financial institutions that are members of the F.D.I.C. as defined in Title 30-A, Section 5706 of the Maine Revised Statutes. As of June 30, 2017, the Town reported cash and cash equivalents of \$3,931,367 with bank and invested balances of \$4,016,608. Of the Town's bank and invested balances, \$2,958,725 were covered by F.D.I.C. insurance and therefore not exposed to custodial credit risk. Balances of \$940,900 were covered by securities held by the financial institution in the Town's name. Cash equivalents of \$3,662 were covered by the Securities Investor Protection Corporation (SIPC) and the remaining cash equivalents of \$113,321 were not collateralized or insured.

TOWN OF SOUTHWEST HARBOR, MAINE

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

<u>Account Type</u>	<u>Bank Balance</u>
Checking accounts	\$ 1,302,227
Savings accounts	1,256
Money market accounts	313,854
ICS accounts	2,282,287
Cash equivalents	<u>116,983</u>
	<u>\$ 4,016,608</u>

Investments:

Custodial credit risk for investments is that, in the event of failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. Currently, the Town does not have a specific policy for custodial credit risk for investments. Of the Town's investments of \$217,993, \$10,335 were fully covered by federal depository insurance and therefore were not exposed to custodial credit risk. The remaining investments totaling \$207,658 were covered by the Securities Investor Protection Corporation (SIPC).

At June 30, 2017, the Town had the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>N/A</u>	<u>< 1 Year</u>	<u>1 - 5 Years</u>	<u>Debt</u>
securities:					
U.S. government agency obligations	\$ 74,632	\$ -	\$ -	\$ 74,632	
Brokered certificates of deposit	25,034	-	25,034	-	
Equity securities:					
Mutual funds:					
Equity	65,731	65,731	-	-	
Fixed income	42,261	42,261	-	-	
Certificates of deposit	10,335	-	-	10,335	
	<u>\$ 217,993</u>	<u>\$ 107,992</u>	<u>\$ 25,034</u>	<u>\$ 84,967</u>	

Fair Value Hierarchy

The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The Town has the following recurring fair value measurements as June 30, 2017:

TOWN OF SOUTHWEST HARBOR, MAINE

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

	June 30, 2017 <u>Total</u>	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level I)	Significant Other Observable Inputs (Level II)	Significant Unobservable Inputs (Level III)
Investments by fair value level				
Debt securities				
U.S. government agency obligations	\$ 74,632	\$ -	\$ 74,632	\$ -
Brokered certificates of deposit	<u>25,034</u>	<u>-</u>	<u>25,034</u>	<u>-</u>
Total debt securities	<u>99,666</u>	<u>-</u>	<u>99,666</u>	<u>-</u>
Equity securities				
Mutual funds and exchange-traded funds	<u>107,992</u>	<u>107,992</u>	<u>-</u>	<u>-</u>
Total equity securities	<u>107,992</u>	<u>107,992</u>	<u>-</u>	<u>-</u>
Total investments by fair value level	<u>207,658</u>	<u>\$ 107,992</u>	<u>\$ 99,666</u>	<u>\$ -</u>
Cash equivalents measured at the net asset value (NAV)				
Money market mutual funds	<u>3,663</u>			
Total cash equivalents measured at the NAV	<u>3,663</u>			
Total investments and cash equivalents measured at fair value	<u>\$ 211,321</u>			

Equity securities classified in Level I of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities classified in Level 2 of the fair value hierarchy are valued from publicly reliable sources or using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. The Town has no Level 3 investments. The fair value of money market mutual funds that are measured at NAV per share (or its equivalent) is calculated as of June 30, 2017 in a manner consistent with the Financial Accounting Standards Board's measurement principles for investment companies. Certificates of deposit held with local financial institutions for \$10,335 are excluded from the hierarchy as these investments are considered held to maturity and are therefore not measured at fair value.

Credit risk – Statutes for the State of Maine authorize the Town to invest in obligations of the U.S. Treasury, agencies and instrumentalities, other states and Canada, provided such securities are rated within the three highest grades by an approved rating service of the State of Maine, corporate stocks and bonds within statutory limits, financial institutions, mutual funds and repurchase agreements. As of June 30, 2017, the Town's investments in U.S. government agency obligations were rated AA+ (\$74,632) by Standard & Poor's Rating Service. The Town's investment in brokered certificates of deposit totaling \$25,034 were not rated.

Interest rate risk – is the risk that changes in interest rates will adversely affect the fair value of an investment. The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from fluctuations in interest rates.

TOWN OF SOUTHWEST HARBOR, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 3 - LONG-TERM RECEIVABLE

As of January 1, 2016, the sewer and water departments formed Southwest Harbor Public Utilities District. The District Plan requires that the District be responsible for payment of all sewer and water-related long-term debt on behalf of the Town. As of June 30, 2017, a long-term receivable has been recorded for \$4,086,175, which represents water and sewer-related general obligation bonds.

NOTE 4 - BUDGETARY VS. GAAP BASIS OF ACCOUNTING

As required by accounting principles generally accepted in the United States of America (GAAP), the Town of Southwest Harbor has recorded a revenue and expenditure for Maine Public Employees Retirement contributions made by the State of Maine on behalf of Southwest Harbor School Department. These amounts have not been budgeted in the General Fund and result in a difference in reporting on a budgetary basis of accounting vs. reporting under generally accepted accounting principles of \$117,491. These amounts have been included as intergovernmental revenue and as education expenditures in the General Fund on Statement E (GAAP basis). There is no effect on the total fund balance at the end of the year.

NOTE 5 - INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at June 30, 2017 consisted of the following individual fund receivables and payables:

	Receivables (Due from)	Payables (Due to)
General fund	\$ -	\$ 952,274
Nonmajor special revenue funds - reserves	952,274	-
Totals	<u>\$ 952,274</u>	<u>\$ 952,274</u>

TOWN OF SOUTHWEST HARBOR, MAINE

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017

NOTE 6 - CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended June 30, 2017:

	Balance, 7/1/16 (Restated)	Additions	Deletions	Balance, 6/30/17
Governmental activities:				
Non-depreciated assets:				
Land	\$ 461,164	\$ -	\$ -	\$ 461,164
	<u>461,164</u>	<u>-</u>	<u>-</u>	<u>461,164</u>
Depreciated assets:				
Land improvements	277,797	-	-	277,797
Buildings and improvements	7,773,154	-	-	7,773,154
Machinery and equipment	1,238,237	135,792	(79,912)	1,294,117
Vehicles	1,767,661	-	-	1,767,661
Infrastructure	<u>15,299,719</u>	<u>476,695</u>	<u>-</u>	<u>15,776,414</u>
	26,356,568	612,487	(79,912)	26,889,143
Less: accumulated depreciation	<u>(10,859,735)</u>	<u>(703,793)</u>	<u>79,912</u>	<u>(11,483,616)</u>
	<u>15,496,833</u>	<u>(91,306)</u>	<u>-</u>	<u>15,405,527</u>
Net capital assets	<u>\$ 15,957,997</u>	<u>\$ (91,306)</u>	<u>\$ -</u>	<u>\$ 15,866,691</u>

Current year depreciation:

Governmental activities:

General government	\$ 3,717
Protection	100,842
Education	179,114
Public works	383,443
Town-wide	<u>36,677</u>
Total governmental activities depreciation expense	<u>\$ 703,793</u>

TOWN OF SOUTHWEST HARBOR, MAINE

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017

NOTE 7 - LONG-TERM DEBT

The following is a summary of changes in the long-term debt for the year ended June 30, 2017:

	Balance, 7/1/16	Additions	Deletions	Balance, 6/30/17	Current Portion
<u>Governmental activities:</u>					
Bonds payable	\$ 3,721,577	\$ -	\$ (458,062)	\$ 3,263,515	\$ 458,662
Capital leases payable	13,118	45,217	(18,214)	40,121	9,179
Accrued compensated absences	60,554	28,823	(13,800)	75,577	75,577
Net pension liability	<u>56,664</u>	<u>-</u>	<u>(5,872)</u>	<u>50,792</u>	<u>-</u>
	<u>\$ 3,851,913</u>	<u>\$ 74,040</u>	<u>\$ (495,948)</u>	<u>\$ 3,430,005</u>	<u>\$ 543,418</u>
<u>Business-type activities:</u>					
Bonds payable	\$ 4,365.144	\$ -	\$ (278,969)	\$ 4,086.175	\$ 280,174
	<u>\$ 4,365.144</u>	<u>\$ -</u>	<u>\$ (278,969)</u>	<u>\$ 4,086.175</u>	<u>\$ 280,174</u>

The following is a summary of the outstanding bonds payable:

Governmental activities:

\$5,339,115, 2000B School Construction bond due in annual principal installments of \$261,050 through November of 2020. The interest rate varies from 5.028% to 5.903% per annum.	\$ 1,044,200
\$1,100,000, 2005C New Fire Station bond due in annual principal installments of \$44,000 through November of 2031. The interest rate is 4.75% per annum.	616,000
\$868,730, 2010F Wesley Ave/Mansell Lane General Fund bond due in annual principal installments of \$38,141 through November of 2030. The interest rate varies from 0.831% to 5.094% per annum.	640,315
\$780,000, 2013B Main Street Project bond due in annual principal installments of \$39,000 through May of 2034. The interest rate varies from 0.45% to 4.57% per annum.	663,000
\$750,000, 2011 Fire Truck bond due in annual principal installments of \$75,000 through September of 2021. The interest rate is 3.08% per annum.	<u>300,000</u>
Total governmental activities	<u>3,263,515</u>

TOWN OF SOUTHWEST HARBOR, MAINE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

NOTE 7 - LONG-TERM DEBT (CONTINUED)

Business-type activities:

\$1,207,820, 2010 Bond payable to Maine Municipal Bond Bank, due in annual principal payments varying from \$53,805 to \$24,107. Interest is charged at a rate varying from 5.500% to 2.000% per annum. Maturity in November of 2033.	884,990
\$420,855, 2010F Wesley Ave/Mansell Lane Water bond due in annual principal installments of \$18,477 through November of 2030. The interest rate varies from 0.8310% to 5.094% per annum.	310,198
\$440,000, 2013 Bond payable to Maine Municipal Bond Bank, due in annual principal payments varying from \$19,047 to \$25,227. Interest is charged at a rate of 1.490% per annum. Maturity in October of 2033.	382,004
\$1,066,046, 2010 Bond payable to Maine Municipal Bond Bank, due in annual principal payments varying from \$80,662 to \$17,707. Interest is charged at a rate varying from 5.500% to 2.000% per annum. Maturity in November of 2027.	582,074
\$511,180, 2009 Bond payable to Maine Municipal Bond Bank, due in semiannual principal payments of \$6,202 with principal forgiveness of \$263,100. No interest is charged. Maturity in October of 2029.	155,050
\$442,820, 2009 Bond payable to Maine Municipal Bond Bank, due in semiannual principal payments of \$11,071. No interest is charged. Maturity in October of 2029.	276,763
\$388,415, 2010F Wesley Ave/Mansell Lane Sewer bond due in annual principal installments of \$17,053 through November of 2030. The interest rate varies from 0.8310% to 5.094% per annum.	286,284
\$696,354, 2012 Bond payable to Maine Municipal Bond Bank, due in annual principal payments of \$18,569 with principal forgiveness of \$139,271. No interest is charged. Maturity in April of 2042.	464,236
\$1,418,182, 2013 Bond payable to Maine Municipal Bond Bank, due in annual principal payments varying from \$35,424 to \$42,796 with principal forgiveness of \$638,182. Interest is charged at a rate of 1.000% per annum. Maturity in October of 2035.	<u>744,576</u>
Total business-type activities	<u>4,086,175</u>
Total bonds payable	<u>\$ 7,349,690</u>

TOWN OF SOUTHWEST HARBOR, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 7 - LONG-TERM DEBT (CONTINUED)

The following is a summary of outstanding bond principal and interest requirements for the following fiscal years ending June 30:

Governmental activities:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2018	\$ 458,662	\$ 132,172	\$ 590,834
2019	459,358	111,716	571,074
2020	460,130	90,986	551,116
2021	460,962	72,364	533,326
2022	125,762	61,250	187,012
2023-2027	643,820	245,911	889,731
2028-2032	576,821	88,086	664,907
2033-2037	<u>78,000</u>	<u>3,564</u>	<u>81,564</u>
	<u>\$ 3,263,515</u>	<u>\$ 806,049</u>	<u>\$ 4,069,564</u>

Business-type activities:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2018	\$ 280,174	\$ 80,490	\$ 360,664
2019	281,477	72,937	354,414
2020	282,859	70,381	353,240
2021	261,037	64,985	326,022
2022	262,506	60,605	323,111
2023-2027	1,257,617	234,168	1,491,785
2028-2032	978,156	100,421	1,078,577
2033-2037	389,498	11,665	401,163
2038-2042	<u>92,851</u>	<u>-</u>	<u>92,851</u>
	<u>\$ 4,086,175</u>	<u>\$ 695,652</u>	<u>\$ 4,781,827</u>

No interest costs were capitalized during the period. The amount of interest costs incurred and charged to expense for the year ended June 30, 2017 was \$84,889.

TOWN OF SOUTHWEST HARBOR, MAINE

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017

NOTE 7 - LONG-TERM DEBT (CONTINUED)

The following is a summary of the outstanding capital leases payable:

\$24,380, 2017 Capital lease payable to EverBank for copiers, due in monthly installments of \$387 through April of 2022. Interest is charged at a rate of 3.829% per annum.	\$ 23,218
\$20,837, 2017 Capital lease payable for copiers, due in monthly installments of \$378 through April of 2021.	<u>16,903</u>
Total capital leases payable	<u>\$ 40,121</u>

The following is a summary of outstanding capital lease requirements for the following fiscal years ending June 30:

Year Ending June 30:	
2018	\$ 9,179
2019	9,179
2020	9,179
2021	9,179
2022	<u>4,644</u>
Total minimum lease payments	41,360
Less amount representing interest	<u>(1,239)</u>
Present value of future minimum lease payments	<u>\$ 40,121</u>

NOTE 8 - EXPENDITURES OVER APPROPRIATIONS

The following expenditures were overspent at June 30, 2017:

Administration	\$ 48,379
Dispatch service	6,364
Debt service - interest	2,101
Contracted	<u>9,805</u>
	<u>\$ 66,649</u>

TOWN OF SOUTHWEST HARBOR, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 9 - NONSPENDABLE FUND BALANCES

At June 30, 2017, the Town had the following nonspendable fund balances:

General Fund:

Due From Southwest Harbor Public Utilities District	\$ 610,301
Inventory	21,925
Tax Acquired Property	28,786
Prepaid Items	<u>33,445</u>
	<u>694,457</u>

Nonmajor Special Revenue Funds:

Inventory	<u>910</u>
	<u>\$ 695,367</u>

NOTE 10 - RESTRICTED FUND BALANCES

At June 30, 2017, the Town had the following restricted fund balances:

General Fund:

School Department	\$ 182,122
Nonmajor Special Revenue Funds	196,567
Permanent Fund - Cemetery Trust	<u>107,082</u>
	<u>\$ 485,771</u>

NOTE 11 - COMMITTED FUND BALANCES

At June 30, 2017, the Town has the following committed fund balances:

Nonmajor Special Revenue Funds	<u>\$ 1,360,168</u>
--------------------------------	---------------------

NOTE 12 - RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Town participates in a public entity risk pool sponsored by the Maine Municipal Association. The Maine Municipal Association Group Risk Pool is a state chartered pool established exclusively for Maine municipalities. The pool provides certain property, liability, fidelity and vehicle coverage. If the assets of the pool are at any time actuarially determined to be insufficient to enable the pool to discharge its legal obligations, other obligations, and actuarially sound reserves, the pool has the power to make up the deficiency by the levy of a prorated assessment. There have been no deficiencies during the past three years and management believes that no deficiency exists at June 30, 2017.

TOWN OF SOUTHWEST HARBOR, MAINE

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017

NOTE 12 - RISK MANAGEMENT (CONTINUED)

The Town is a member of the Maine Municipal Association – Property and Casualty Pool and pays an annual premium for its coverage. Under the property portion of the policy, coverage is provided after a per occurrence deductible is met. The limit of coverage for liability claims brought under the Maine Tort Claims Act is \$400,000 per occurrence. A \$2,000,000 limit of liability is provided for liability claims outside the Maine Tort Claims Act. There is no aggregate liability limit. Coverage for Public Officials Liability, including Employment Practices, is a part of the program. Coverage is on an occurrence basis, rather than a “claims made” form. A \$2,000,000 limit of liability is provided for all claims for Wrongful Acts seeking monetary damages pursuant to federal or state law for which the Maine Tort Claims Act does not provide immunity or limitations. Each member has a \$4,000,000 annual aggregate limit. An annual sublimit of \$100,000 per member applies for all back wages and/or future salary awards for employment related claims, subject to a \$5,000 retention and a 10% contribution by the member.

The Town is also a member of the Maine Municipal Association – Worker Compensation Trust Fund (“Fund”). The Fund was created to formulate, develop and administer a program of modified self-funding for the Fund’s membership, obtain lower costs for worker’s compensation coverage and develop a comprehensive loss control program. The Town pays an annual premium to the fund for its worker’s compensation coverage. The Town’s agreement with the Fund provides that the fund will be self-sustaining through member premiums and will provide, through commercial companies’ reinsurance contracts, coverage for claims in excess of \$1,000,000.

The Town is also a member of the Maine Municipal Association – Unemployment Compensation Group Fund (“MMA UC Fund”). The MMA UC Fund was created to assist in meeting members’ obligations under the Employment Security Act in an efficient and cost-effective manner. The Fund is composed of individual municipalities and other public and related non-profit entities that are individually self-insured but administered as a group. Within the Fund, each member has a separate account. As such, the Town makes quarterly payments into their account, based on rates developed by MMA’s consulting actuary. Claims, if any, are paid out of the Town’s own account. The Maine Department of Labor classifies MMA’s UC Fund members as Direct Reimbursement Employers. In other words, the Fund reimburses the Maine DOL on the Town’s behalf only when the Town has unemployment claims from present or former employees.

Occasionally, the Town may have layoffs or resignations or even a part-time employee losing a primary job, that lead to larger claims payments than anticipated. When claims exceed the balance of the Town’s account, the UC Fund continues to pay the Town’s claims with no regard for the negative balance. Repayment of a negative balance is spread out over a period of years to avoid a financial hardship to the Town.

TOWN OF SOUTHWEST HARBOR, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 12 - RISK MANAGEMENT (CONTINUED)

Based on the coverage provided by the insurance purchased, the Town is not aware of any material actual or potential claim liabilities which should be recorded as of June 30, 2017. There were no significant reductions in insurance coverage from that of the prior year and amounts of settlements have not exceeded insurance coverage in the past three years.

NOTE 13 - OVERLAPPING DEBT

The Town is contingently liable for its proportionate share of any defaulted debt by entities of which it is a member. At June 30, 2017, the Town's share was approximately:

	<u>Outstanding Debt</u>	<u>Town's Percentage</u>	<u>Total Share</u>
County of Hancock	\$ 300,000	4.64%	<u>\$ 13,920</u>

NOTE 14 - DEFINED BENEFIT PENSION PLAN

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

Plan Description

All school teachers, plus other qualified educators, participate in the Maine Public Employees Retirement System's (MainePERS) State Employee and Teacher (SET) Plan. The teacher's program is a multi-employer cost-sharing plan with a special funding situation, established by the Maine State Legislature. The State of Maine is also a non-employer contributing entity in that the State pays the initial unfunded actuarial liability on behalf of teachers, while school districts contribute the normal cost, calculated actuarially, for their teacher members. Title 5 of the Maine Revised Statutes Annotated assigns the authority to establish and amend benefit provisions to the State Legislature. The Maine Public Employees Retirement System issues a publicly available financial report that includes financial and actuarial information for the SET Plan. That report may be obtained online at www.maineopers.org or by contacting the System at (207) 512-3100.

Benefits Provided

The Maine Public Employees Retirement System provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. The authority to establish and amend benefit provisions rests with the State Legislature. The System's retirement programs provide defined retirement

TOWN OF SOUTHWEST HARBOR, MAINE

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017

NOTE 14 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

benefits based on members' average final compensation and service credit earned as of retirement. Vesting (i.e., eligibility for benefits upon reaching qualification) occurs upon the earning of five years of service credit (effective October 1, 1999, the prior ten year requirement was reduced by legislative action to five years for State employees and teachers). In some cases, vesting occurs on the earning of one year of service credit immediately preceding retirement at or after normal retirement age. Normal retirement age for State employees and teachers is age 60, 62 or 65. The normal retirement age is determined by whether a member had met certain creditable service requirements on specific dates, as established by statute. The monthly benefit of members who retire before normal retirement age by virtue of having at least 25 years of service credit is reduced by a statutorily prescribed factor for each year of age that a member is below her/his normal retirement age at retirement. The System also provides disability and death benefits which are established by statute for State employee and teacher members.

Upon termination of membership, members' accumulated employee contributions are refundable with interest, credited in accordance with statute. Withdrawal of accumulated contributions results in forfeiture of all benefits and membership rights. The annual rate of interest credited to members' accounts is set by the System's Board of Trustees and is currently 5.0%.

Contributions

Retirement benefits are funded by contributions from members and employers and by earnings on investments. Disability and death benefits are funded by employer normal cost contributions and by investment earnings. The Town's teachers are required to contribute 7.65% of their compensation to the retirement system. The Town's payroll for teachers covered by this program was approximately \$1,218,101 for the year ended June 30, 2017. Title 5 of the Maine Revised Statutes Annotated requires the State to contribute 10.02% of the Town's contractually required contributions, which are actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability (UAL). Contributions paid by the State were approximately \$117,491 for the year ended June 30, 2017. Title 5 of the Maine Revised Statutes Annotated also requires the Town to contribute at an actuarially determined normal cost rate of 3.36%, which totaled \$40,928 for 2017. In addition, the Town is required to contribute toward the UAL of the plan and pay a small percentage of payroll towards the administrative costs for federally funded teachers, which amounts to 10.57% of compensation and totaled \$4,813 the year ended June 30, 2017.

TOWN OF SOUTHWEST HARBOR, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 14 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources
and Deferred Inflows of Resources Related to Pensions**

At June 30, 2017, the Town reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the Town. The amount recognized by the Town as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the Town were as follows:

Town's proportionate share of the net pension liability	\$ 50,792
State's proportionate share of the net pension liability associated with the Town	<u>1,684,151</u>
Total	<u>\$ 1,734,943</u>

The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating school Units and the State, actuarially determined. At June 30, 2016, the Town's proportion was 0.002875%, which was a decrease of 0.001322% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the Town recognized total pension expense of \$165,861 and revenue of \$165,822 for support provided by the State of Maine. At June 30, 2017, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

TOWN OF SOUTHWEST HARBOR, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 14 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

	SET Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 982	\$ 96
Changes of assumptions	-	1,304
Net difference between projected and actual earnings on pension plan investments	16,219	6,646
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	13,631
Contributions subsequent to the measurement date	45,741	-
Total	\$ 62,942	\$ 21,677

\$45,741 reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	SET Plan
Plan year ended June 30:	
2017	\$ (6,547)
2018	(5,012)
2019	4,568
2020	2,515
2021	-
Thereafter	-

Actuarial Methods and Assumptions

The collective total pension liability for the Plan was determined by an actuarial valuation as of June 30, 2016, using the following methods and assumptions applied to all periods included in the measurement:

TOWN OF SOUTHWEST HARBOR, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 14 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

Actuarial Cost Method

The Entry Age Normal actuarial funding method is used to determine costs. Under this funding method, the total employer contribution rate consists of two elements: the normal cost rate and the unfunded actuarial liability (UAL) rate.

The individual entry age normal method is used to determine liabilities. Under the individual entry age normal method, a normal cost rate is calculated for each employee. This rate is determined by taking the value, as of age at entry into the plan, of the member's projected future benefits, and dividing it by the value, also as of the member's entry age, of his or her expected future salary. The normal cost for each employee is the product of his or her pay and his or her normal cost rate. The normal cost for the group is the sum of the normal costs for all members.

Experience gains and losses, i.e., decreases or increases in liabilities and/or in assets when actual experience differs from the actuarial assumptions, affect the unfunded actuarial accrued liability.

Asset Valuation Method

The actuarial valuation employs a technique for determining the actuarial value of assets which dampens the swing in the market value. The specific technique adopted in this valuation recognizes in a given year one-third of the investment return that is different from the actuarial assumption for investment return.

Amortization

The net pension liability of the State Employee and Teacher Retirement Plan is amortized on a level percentage of payroll over the amortization period then in effect under statutory and constitutional requirements. All other gains, losses, and changes are amortized over ten-year periods beginning on the date as of which they occur.

Significant actuarial assumptions employed by the actuary for funding purposes as of June 30, 2016 are as follows:

Investment Rate of Return - For the State Employee and Teacher Plan, 6.875% per annum, compounded annually; 7.125% was used for the period ended June 30, 2015.

Salary Increases, Merit and Inflation - State Employees, 2.75% to 8.75% per year; Teachers, 2.75% to 14.50% per year.

TOWN OF SOUTHWEST HARBOR, MAINE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

NOTE 14 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

Mortality Rates - For active members and non-disabled retirees of the SET Plan, the RP2014 Total Dataset Healthy Annuitant Mortality Table, for males and females, is used. For all recipients of disability benefits, the RP2014 Total Dataset Disabled Annuitant Mortality Table, for males and females, is used.

Cost of Living Benefit Increases - 2.20%; 2.55% was used for the period ended June 30, 2015.

The long-term expected rate of return on pension plan assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major class of assets. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as June 30, 2016 are summarized in the following table:

<u>Asset Class</u>	SET Plan	
	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
US equities	20%	5.7%
Non-US equities	20%	5.5%
Private equity	10%	7.6%
Real assets:		
Real estate	10%	5.2%
Infrastructure	10%	5.3%
Hard assets	5%	5.0%
Fixed income	25%	2.9%

Discount Rate

The discount rate used to measure the collective total pension liability was 6.875% for 2016 for the State Employee and Teacher Plan. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer and non-employer entity contributions will be made at contractually required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members.

TOWN OF SOUTHWEST HARBOR, MAINE

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017

NOTE 14 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following table shows how the collective net pension liability/(asset) as of June 30, 2016 would change if the discount rate used was one percentage point lower or one percentage point higher than the current rate. The current rate is 6.875% for the State Employee and Teacher Plan.

	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
<u>SET Plan:</u>			
Discount rate	5.875%	6.875%	7.875%
Town's proportionate share of the net pension liability	\$ 81,330	\$ 50,792	\$ 25,338

Changes in Net Pension Liability

Each employer's share of the collective net pension liability is equal to the collective net pension liability multiplied by the employer's proportionate share as of June 30, 2016 as shown in the schedules of employer and non-employer contributing entity allocations. Changes in net pension liability are recognized in pension expense for the year ended June 30, 2016 with the following exceptions:

Differences between Expected and Actual Experience

The difference between expected and actual experience with regard to economic or demographic factors were recognized in pension expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. The first year is recognized as pension expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources. For 2016, this was 3 years for the State Employee and Teacher Plan.

Differences between Projected and Actual Investment Earnings on Pension Plan Investments

Differences between projected and actual investment earnings were recognized in pension expense using a straight-line amortization method over a closed five-year period. The first year is recognized as pension expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources.

TOWN OF SOUTHWEST HARBOR, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 14 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

Changes in Assumptions

Differences due to changes in assumptions about future economic or demographic factors or other inputs were recognized in pension expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. The actuarial assumptions used for the year ended June 30, 2016 valuation were based on the results of an actuarial experience study for the period of June 30, 2012 through June 30, 2015. Please refer to the Actuarial Methods and Assumptions section for information relating to changes of assumptions. The first year is recognized as pension expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources.

Changes in Proportion and Differences between Employer Contributions and Proportionate Share of Contributions

Differences resulting from a change in proportionate share of contributions and differences between total employer contributions and the employer's proportionate share of contributions were recognized in pension expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. The first year is recognized as pension expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources. Differences between total employer contributions and the employer's proportionate share of contributions may arise when an employer has a contribution requirement for an employer specific liability.

Pension Plan Fiduciary Net Position

Additional financial and actuarial information with respect to the Plan can be found in the MainePERS' 2016 Comprehensive Annual Financial Report available online at www.maineopers.org or by contacting the System at (207) 512-3100.

NOTE 15 - DEFINED CONTRIBUTION PLAN

Plan Description

The Town offers its employees a defined contribution plan created in accordance with Internal Revenue Code Section 401. The plan, available to all full-time Town employees, permits them to defer a portion of their salary until retirement. The deferred amount and the vested portion of the employer match is not available to the employee until retirement or death, or in case of other life events as allowed by law.

TOWN OF SOUTHWEST HARBOR, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 15 - DEFINED CONTRIBUTION PLAN (CONTINUED)

Funding Policy

Plan provisions and contribution requirements are established and may be amended by the Town Selectmen. Under the 401 plan, the Town matches up to 6% of a participant's earnings for the plan year. For the year ended June 30, 2017, employee contributions totaled \$33,872, and the Town recognized pension expense of \$33,485.

Employees are immediately vested in their own contributions and earnings on those contributions and become vested in Town contributions and earnings on Town contributions after completion of 5 years of continuous employment with the Town. Nonvested Town contributions are forfeited upon termination of employment. Such forfeitures are used to cover a portion of the pension plan's administrative expenses.

For the year ended June 30, 2017, there were forfeitures of \$2,964 to reduce the Town's pension expense.

NOTE 16 - DEFERRED COMPENSATION PLAN

INTERNATIONAL CITY MANAGERS ASSOCIATION RETIREMENT CORP.

Plan Description

The Town offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457(f) and maintained by International City Managers Association Retirement Corporation (ICMA). The plan, available to all full-time Town employees, permits them to defer a portion of their salary until retirement. The deferred compensation is not available to employees until termination, retirement, death or unforeseen emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) to be held in a trust for the exclusive benefit of the participants and their beneficiaries.

It is the opinion of the Town's management that the Town has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor.

TOWN OF SOUTHWEST HARBOR, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 16 - DEFERRED COMPENSATION PLAN (CONTINUED)

Funding Policy

Participating members may contribute up to amounts allowed by law of their annual covered salary. The Town has no matching requirements in this plan. The employee's contribution is tax deferred for federal and state taxes until the withdrawal date. The employee's contribution vests 100% with the employee when contributed. The employees' contributions to the plan for the year ended June 30, 2017 were \$4,420.

NOTE 17 - BENEFICIAL INTERESTS IN ASSETS HELD BY OTHERS

The Town is an income beneficiary of assets held by Maine Community Foundation (MCF) as a result of making reciprocal transfers of assets to MCF and specifying itself as the beneficiary. As such, the Town receives distributions amounting to a percentage of the fair value of these assets each year. The Town has granted variance power to MCF. The Board of Trustees of the MCF has the power to modify, consistently with State law, including seeking approval of the appropriate court or Attorney General, where applicable, any restriction or condition on the distribution of funds for any specified entities if, in the sole judgment of the Board (without the necessity of the approval of any participating trustee, custodian, or agent), such restriction or condition becomes, in effect, unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community. Annual distributions from these assets have been reported as revenue.

The estimated fair market value of the beneficial interest in the assets, which approximate the present values of the expected future cash flows from the assets, are recognized in the statement of financial position as investments. This amounted to \$113,321 for the year ended June 30, 2017.

TOWN OF SOUTHWEST HARBOR, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 18 - DEFICIT FUND BALANCES

The following funds have deficit fund balances at June 30, 2017:

Special revenue funds:	
Legal and Accounting	\$ 19,125
Abatements	3,811
Comprehensive Planning	402
School Safety	645
Police Equipment	300
Municipal Building Engineering	8,923
Police Cruiser	3,614
4 X 16 Spruce - Manset	6,874
Highway Loader	33,313
Road Projects	35,158
Harbor Hoists Upgrade	966
Pilings/Wall Replacement	15,406
Jaws of Life	1
Storm Water Management	709
Mooring Plan Update	5
Ford Pick Up - Chief's Truck	4,536
Administration	3,325
Municipal	2,221
Grants and School Lunch	632
	<u>\$ 139,966</u>

NOTE 19 - CONTINGENCIES

With regard to pending legal claims or any unasserted claims, it is not feasible at this time to predict or determine their outcome. Management believes, however, that settlement amounts, if any, will not have a material adverse effect on the Town's financial position.

The Town participates in various intergovernmental grant programs which may be subject to future program compliance audits by the grantors or their representatives. Accordingly, the Town's compliance with applicable grant requirement may be established at some future date. The amount, if any, of any liabilities arising from the disallowance of expenditures or ineligibility of grant revenues cannot be determined at this time.

TOWN OF SOUTHWEST HARBOR, MAINE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

NOTE 20 - RESTATEMENTS

The beginning fund balance of the general fund and the net position of the governmental activities have been restated as of July 1, 2016. These balances were restated to correct various account balances in the general fund. The general fund and the governmental activities were both restated by \$24,778.

The beginning fund balance of the special revenue funds and the net position of the governmental activities have been restated as of July 1, 2016. These balances were restated to correct various account balances in the special revenue funds. The special revenue funds and the governmental activities were both restated by (\$4,860).

The beginning net position of the governmental activities has been restated as of July 1, 2016. This balance was restated to correct the capital assets balance. The governmental activities were restated by \$982,823.

The net restatement to the general fund, special revenue funds and the governmental activities was \$24,778, (\$4,860) and \$1,002,741, respectively.

NOTE 21 - COMPARATIVE DATA/RECLASSIFICATIONS

Comparative total data for the prior year have been presented in selected sections of the accompanying financial statements in order to provide an understanding of the changes in the Town's financial position and operations. Also, certain amounts presented in the prior year's data have been reclassified to be consistent with the current year's presentation.

SCHEDULE 1

TOWN OF SOUTHWEST HARBOR, MAINE

**BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2017**

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	Positive (Negative)
Budgetary Fund Balance, July 1, Restated	\$ 2,641,794	\$ 2,641,794	\$ 2,641,794	\$ -
Resources (Inflows):				
Taxes:				
Property Taxes	\$ 7,070,183	\$ 7,070,183	\$ 7,021,824	\$ (48,359)
Excise Taxes	353,000	353,000	453,459	100,459
Intergovernmental Revenues:				
State Revenue Sharing	52,000	52,000	55,165	3,165
Homestead Reimbursement	24,000	24,000	36,695	12,695
Local Road Assistance	18,000	18,000	17,580	(420)
Education	155,000	155,000	183,029	28,029
BETE	400	400	470	70
Other	3,550	3,550	4,176	626
Interest Income	11,500	11,500	17,513	6,013
Interest on Taxes/Lien Costs	22,000	22,000	21,697	(303)
Charges for Services:				
Solid Waste Revenues	42,000	42,000	38,718	(3,282)
Permits, Fees and Other Revenue	131,775	131,775	136,250	4,475
Docks and Floats Revenue	83,800	83,800	79,905	(3,895)
Education	500	500	1,896	1,396
Other	300	300	88	(212)
Miscellaneous Revenues	25,629	25,629	41,995	16,366
Misc. School Department Revenues	-	-	564	564
Lease Proceeds	-	20,837	20,837	-
Transfers from Other Funds	-	60,955	60,955	-
Amounts Available for Appropriation	<u>10,635,431</u>	<u>10,717,223</u>	<u>10,834,610</u>	<u>117,387</u>
Charges to Appropriations (Outflows):				
Current:				
General Government	327,546	327,546	373,173	(45,627)
Protection	836,069	836,069	793,795	42,274
Public Works	428,283	428,283	395,794	32,489
Education	4,519,568	4,576,472	4,501,444	75,028
County Tax	246,452	246,452	246,452	-
Social Services	203,964	203,964	203,964	-
Debt Service:				
Principal	196,562	196,562	196,562	-
Interest	212,408	212,408	214,509	(2,101)
Unclassified	730,466	730,466	646,117	84,349
Transfers to Other Funds	347,937	553,069	505,808	47,261
Total Charges to Appropriations	<u>8,049,255</u>	<u>8,311,291</u>	<u>8,077,618</u>	<u>233,673</u>
Budgetary Fund Balance, June 30	<u>\$ 2,586,176</u>	<u>\$ 2,405,932</u>	<u>2,756,992</u>	<u>\$ 351,060</u>
Utilization of Unassigned Fund Balance	\$ 55,618	\$ 182,000	\$ -	\$ (182,000)
Utilization of Restricted Fund Balance	-	53,862	-	(53,862)
	<u>\$ 55,618</u>	<u>\$ 235,862</u>	<u>\$ -</u>	<u>\$ (235,862)</u>

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

SCHEDULE 2

TOWN OF SOUTHWEST HARBOR, MAINE

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

	2017	2016	2015
SET Plan:			
Town's proportion of the net pension liability	0.0029%	0.0042%	0.0045%
Town's proportionate share of the net pension liability	\$ 50,792	\$ 56,664	\$ 48,323
State's proportionate share of the net pension liability associated with the Town	1,684,151	1,450,412	1,225,807
Total	<u>\$ 1,734,943</u>	<u>\$ 1,507,076</u>	<u>\$ 1,274,130</u>
Town's covered-employee payroll	\$ 1,162,391	\$ 1,277,901	\$ 1,332,209
Town's proportionate share of the net pension liability as a percentage of its covered-employee payroll	4.37%	4.43%	3.63%
Plan fiduciary net position as a percentage of the total pension liability	76.21%	81.18%	83.91%

* The amounts presented for each fiscal year were determined as of June 30, and 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*

	2017	2016	2015	2014
<u>SET Plan:</u>				
Contractually required contribution	\$ 45,741	\$ 42,636	\$ 42,051	\$ 41,965
Contributions in relation to the contractually required contribution	<u>(45,741)</u>	<u>(42,636)</u>	<u>(42,051)</u>	<u>(41,965)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered-employee payroll	\$ 1,218,101	\$ 1,162,391	\$ 1,277,901	\$ 1,322,209
Contributions as a percentage of covered- employee payroll	3.76%	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.

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, 2017

Town Funds	Beginning Balance (Restated)	Revenues	Intergov Revenues	Transfers from Funds	Investment Earnings	Capital Expenditures	Expenditures	Transfers to Funds	Ending Balance
State Revenue Sharing	\$ 16,129	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,129
Wage and Benefit	7,672	-	-	-	-	-	-	-	7,672
Abatements	13,292	-	-	-	-	-	17,103	-	(3,811)
Legal and Accounting	(2,935)	-	-	10,000	-	7,660	18,530	-	(19,125)
Professional Development	55,936	290	-	8,000	-	-	27,947	-	36,279
D.A.R.E. Program	392	-	-	-	-	-	-	-	392
Comprehensive Planning	98	-	-	-	-	-	-	500	(402)
Unemployment	25,288	-	-	-	-	-	-	-	25,288
Rhoaes PK	-	-	-	4,500	-	-	4,319	-	181
Tree Fund	-	-	-	2,000	-	-	2,000	-	-
HRA Ins	-	-	-	48,000	-	-	20,000	-	28,000
Shellfish	4,205	1,840	-	-	-	-	585	-	5,480
Sand and Salt Shed	30,000	-	-	-	-	-	-	-	30,000
General Assistance	3,861	-	1,128	1,500	-	-	1,791	-	4,698
Junior Fire Department	129	-	-	-	-	-	-	-	129
School Safety	(645)	-	-	-	-	-	-	-	(645)
Map Update	1,274	240	-	300	-	-	1,740	-	74
Police Equipment	(300)	-	-	-	-	-	-	-	(300)
Swap Shop	3,162	412	-	-	-	-	1,523	-	2,051
Lower Town Dock	6	-	-	-	-	-	-	-	6
Antenna Relocation, etc.	8,289	-	-	-	-	-	-	-	8,289
Safe Routes to School Grant	9,886	-	-	-	-	-	-	-	9,886
Trail Grant	4,276	-	-	-	-	-	-	-	4,276
Septic Tank Grant	131	-	-	-	-	-	-	-	131
Wellness Grant	125	-	-	-	-	-	-	-	125
Conservation Commission	137,366	-	-	-	19,338	-	6,706	-	149,998
Police	1,543	-	-	-	-	-	-	-	1,543
Total Town Funds	319,180	2,782	1,128	74,300	19,338	7,660	102,244	500	306,324

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, 2017

CIP Funds	Beginning Balance (Restated)	Revenues	Intergov Revenues	Transfers from Funds	Investment Earnings	Capital Expenditures	Expenditures	Transfers to Funds	Ending Balance
Municipal Software	18,154	-	-	-	-	-	15,966	-	2,188
Computer	(6,236)	-	-	24,000	-	-	12,111	-	5,653
Record Preservation	11,590	-	-	-	-	-	-	-	11,590
Municipal Building Engineering	(8,923)	3,000	-	-	-	-	3,000	-	(8,923)
Building Renovations	38,772	265	-	12,400	-	-	19,105	-	32,332
Police Cruiser	(8,614)	-	-	5,000	-	-	-	-	(3,614)
Dispatch Console	17	-	-	-	-	-	-	-	17
Thermal Imaging Camera	20	-	-	-	-	-	-	-	20
Harbor Master Boat Motor	11,204	-	-	-	-	-	-	-	11,204
4 X 16 Spruce - Manset	12,950	-	-	9,396	-	27,244	1,976	-	(8,874)
Lower Town Dock Pier	14	-	-	-	-	-	-	-	14
Highway 1 Ton Pickup	3,952	-	-	-	-	-	-	3,000	952
Highway #1 Plow Truck	37,195	-	-	3,000	-	-	-	-	40,195
Highway #2 Plow Truck	96,115	-	-	12,000	-	-	-	-	108,115
Highway Loader	(30,713)	-	-	-	-	-	-	2,600	(33,313)
Highway Garage	90,546	-	-	89,621	-	-	450	-	179,717
Road Projects	76,141	2,175	-	87,825	-	201,299	-	-	(35,158)
Sidewalks Projects	54,795	-	-	5,000	-	49,116	-	-	10,679
Harbor Hoists Upgrade	9,034	-	-	-	-	10,000	-	-	(966)
Pilings/Wall Replacement	23,309	-	-	-	-	33,836	4,879	-	(15,406)
Manset Dock Float Bridge	2,060	-	-	-	-	-	-	-	2,060
Cross Bracing Replacement	13,518	-	-	-	-	11,943	-	-	1,575
Ladder Replacement	5,352	-	-	-	-	-	-	-	5,352
Town Office Copier	5,234	-	-	-	-	-	748	-	4,486
Vote Counter	6,688	-	-	-	-	-	-	-	6,688
Revaluation	44,599	-	-	-	-	-	-	15,000	29,599
Cable Access Equipment	624	8,548	-	2,000	-	-	4,741	-	6,431
Police 2007 Ford Expedition	(1,379)	-	-	5,000	-	-	-	-	3,621

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, 2017

CIP Funds (Continued)	Beginning Balance (Restated)	Revenues	Intergov Revenues	Transfers from Funds	Investment Earnings	Capital Expenditures	Expenditures	Transfers to Funds	Ending Balance
Police In-Car Camera	-	-	11,943	-	-	11,943	-	-	-
Town Wide Communication	867	-	-	-	-	-	232	-	635
Explosive and Hazard Gas Monitor	3,041	-	-	-	-	-	871	-	2,170
Jaws of Life	(631)	-	-	630	-	-	-	-	(1)
SCBA	18,530	-	-	3,000	-	-	-	-	21,530
Quint Pumper	23	-	-	-	-	-	-	-	23
Manset Harbormaster Office	50,517	-	-	-	-	-	-	-	50,517
John Deere 4X4 Tractor	2,778	-	-	-	-	-	-	2,740	38
Parking Lot Improvement	26,907	-	-	15,000	-	-	-	-	41,907
Storm Water Management	11,349	-	-	-	-	-	730	11,328	(709)
Boat Trailer	345	-	-	-	-	-	-	344	1
Trap Slides	3,080	-	-	-	-	-	-	-	3,080
Electrical Conduit - Manset Dock	2,379	-	-	-	-	-	-	-	2,379
Light Post - Upper Town Dock	1,768	-	-	-	-	-	-	-	1,768
Mooring Plan Update	4,047	-	-	-	-	-	-	4,052	(5)
Sidewalk Plow/Blower	5,108	-	-	2,000	-	-	4,754	-	2,354
John Deere Lawn Mower	2,432	-	-	500	-	-	-	-	2,932
16 x 24 Floats Lower Town Dock	4,410	-	-	-	-	-	-	-	4,410
Sup Pile	25,573	-	-	-	-	-	-	-	25,573
Stl Pile	1,494	-	-	-	-	-	-	-	1,494
Street Sweeper	42,493	-	-	2,500	-	-	-	-	44,993
6 x 20 Finger Floats Lower Dock	860	-	-	-	-	-	-	-	860
Water/Sewer Infrastructure	187,332	-	-	75,000	-	170,500	-	-	91,832
Harbor	14,745	-	-	-	-	-	-	-	14,745
Ford Pick Up - Chief's Truck	(4,536)	-	-	-	-	-	-	-	(4,536)
Deck Planning	37,726	-	-	-	-	-	-	-	37,726
Ramp Resurfacing	22,248	-	-	-	-	-	-	-	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, 2017

CIP Funds (Continued)	Beginning Balance (Restated)	Revenues	Intergov Revenues	Transfers from Funds	Investment Earnings	Capital Expenditures	Expenditures	Transfers to Funds	Ending Balance
Catwalk/Step Replacement	23,403	-	-	-	-	-	-	-	23,403
Pressurized Line Striper	5,547	-	-	-	-	-	-	-	5,547
Ford Rescue/Mini Pumper	87,238	-	-	5,000	-	-	-	-	92,238
Harbor	6,736	-	-	-	-	-	-	-	6,736
Municipal	572	-	-	-	-	-	-	-	572
Harbor	7,090	-	-	-	-	-	-	-	7,090
Harbor	1,942	-	-	-	-	-	-	-	1,942
Administration	9,679	-	-	-	-	-	13,004	-	(3,325)
Police	2,074	746	-	2,500	-	-	2,320	-	3,000
Anti Icing	-	-	-	28,450	-	-	-	-	28,450
Harbor	19,085	-	-	-	-	-	-	-	19,085
Harbor	5,415	-	-	-	-	-	-	-	5,415
Municipal	(2,221)	-	-	-	-	-	-	-	(2,221)
Dispatch	192	-	-	-	-	-	-	-	192
Emergency Repairs	8,587	1	-	2,500	-	9,970	-	-	1,118
Total CIP Funds	1,146,222	14,735	11,943	392,322	-	525,851	84,887	39,064	915,420
School Funds									
Grants and School Lunch	(14,988)	33,584	94,311	75,000	-	-	188,539	-	(632)
Bus Purchase	65,629	-	-	-	129	-	-	60,955	4,803
Special Education	153,921	-	-	-	487	-	-	-	154,408
School Playground	3,203	-	-	-	316	-	3,519	-	-
Maintenance	51,795	18,250	-	3,750	165	-	36,604	-	37,356
Total School Funds	259,560	51,834	94,311	78,750	1,097	-	228,662	60,955	195,935
Total Special Revenue Funds	\$ 1,724,962	\$ 69,351	\$ 107,382	\$ 545,372	\$ 20,435	\$ 533,511	\$ 415,793	\$ 100,519	\$ 1,417,679

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, 2017

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Positive (Negative)
General Government -					
Administration	\$ 252,799	\$ -	\$ 252,799	\$ 301,178	\$ (48,379)
Assessing and Planning	46,167	-	46,167	45,853	314
Municipal Offices	28,580	-	28,580	26,142	2,438
	<u>327,546</u>	<u>-</u>	<u>327,546</u>	<u>373,173</u>	<u>(45,627)</u>
Protection -					
Fire Department	80,931	-	80,931	66,055	14,876
Dispatch Service	255,940	-	255,940	262,304	(6,364)
Police Protection	463,498	-	463,498	434,112	29,386
Insurance	35,700	-	35,700	31,324	4,376
	<u>836,069</u>	<u>-</u>	<u>836,069</u>	<u>793,795</u>	<u>42,274</u>
Public Works -					
Highway Department	323,100	-	323,100	292,019	31,081
Harbor	105,183	-	105,183	103,775	1,408
	<u>428,283</u>	<u>-</u>	<u>428,283</u>	<u>395,794</u>	<u>32,489</u>

SCHEDULE B (CONTINUED)

TOWN OF SOUTHWEST HARBOR, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2017

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Positive (Negative)
Education -					
Primary - General Fund	3,411,720	56,904	3,468,624	3,393,596	75,028
Secondary	1,107,848	-	1,107,848	1,107,848	-
	4,519,568	56,904	4,576,472	4,501,444	75,028
County Tax	246,452	-	246,452	246,452	-
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	59,640	-	59,640	59,640	-
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	57,500	-	57,500	57,500	-
WHCA	3,574	-	3,574	3,574	-
MDI Comm. Campfire Coalition	3,000	-	3,000	3,000	-
	203,964	-	203,964	203,964	-
Debt Service -					
Principal	196,562	-	196,562	196,562	-
Interest	212,408	-	212,408	214,509	(2,101)
	408,970	-	408,970	411,071	(2,101)

SCHEDULE B (CONTINUED)

TOWN OF SOUTHWEST HARBOR, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2017

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Positive (Negative)
Unclassified -					
Boards and Committees	2,000	-	2,000	537	1,463
Contracted	635,775	-	635,775	645,580	(9,805)
Overlay	92,691	-	92,691	-	92,691
	<u>730,466</u>	<u>-</u>	<u>730,466</u>	<u>646,117</u>	<u>84,349</u>
Transfers to Other Funds -					
Special Revenue Funds	<u>347,937</u>	<u>205,132</u>	<u>553,069</u>	<u>505,808</u>	<u>47,261</u>
	<u>347,937</u>	<u>205,132</u>	<u>553,069</u>	<u>505,808</u>	<u>47,261</u>
Totals	<u>\$ 8,049,255</u>	<u>\$ 262,036</u>	<u>\$ 8,311,291</u>	<u>\$ 8,077,618</u>	<u>\$ 233,673</u>

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

SCHEDULE C

TOWN OF SOUTHWEST HARBOR, MAINE

SCHEDULE OF GENERAL CAPITAL ASSETS BY FUNCTION
JUNE 30, 2017

	Land and Non-depreciable Assets	Buildings, Building Improvements & Land Improvements	Furniture, Fixtures, Equipment & Vehicles	Infrastructure	Total
General Government	\$ -	\$ 48,136	\$ 81,887	\$ -	\$ 130,023
Protection	213,556	1,828,820	1,439,043	-	3,481,419
Education	-	5,457,168	561,663	-	6,018,831
Public Works	45,963	425,627	522,255	15,776,414	16,770,259
Town-wide	201,645	291,200	456,930	-	949,775
Total General Capital Assets	461,164	8,050,951	3,061,778	15,776,414	27,350,307
Less: Accumulated Depreciation	-	(2,866,274)	(1,601,537)	(7,015,805)	(11,483,616)
Net General Capital Assets	\$ 461,164	\$ 5,184,677	\$ 1,460,241	\$ 8,760,609	\$ 15,866,691

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, 2017

	General Capital Assets 7/1/16 (Restated)	Additions	Deletions	General Capital Assets 6/30/17
General Government	\$ 130,023	\$ -	\$ -	\$ 130,023
Protection	3,481,419	-	-	3,481,419
Education	5,962,951	135,792	(79,912)	6,018,831
Public Works	16,293,564	476,695	-	16,770,259
Town-wide	949,775	-	-	949,775
Total General Capital Assets	26,817,732	612,487	(79,912)	27,350,307
Less: Accumulated Depreciation	(10,859,735)	(703,793)	79,912	(11,483,616)
Net General Capital Assets	<u>\$ 15,957,997</u>	<u>\$ (91,306)</u>	<u>\$ -</u>	<u>\$ 15,866,691</u>

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



Proven Expertise and Integrity

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Selectmen
Town of Southwest Harbor
Southwest Harbor, Maine

We have audited, in accordance with the 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, the 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, 2017, and the related notes to the financial statements, which collectively comprise the Town of Southwest Harbor, Maine's basic financial statements, and have issued our report thereon dated February 23, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Southwest Harbor, Maine's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Southwest Harbor, Maine's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Southwest Harbor, Maine's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Southwest Harbor, Maine's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

R.H.R. Smith & Company

Buxton, Maine
February 23, 2018



Proven Expertise and Integrity

INDEPENDENT AUDITORS' REPORT ON STATE REQUIREMENTS

Board of Selectmen
Town of Southwest Harbor
Southwest Harbor, Maine

We have audited the financial statements of the Town of Southwest Harbor, Maine for the year ended June 30, 2017 and have issued our report thereon dated February 23, 2018. Our audit was made in accordance with auditing standards generally accepted in the United States of America and applicable state and federal laws relating to financial and compliance audits and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In connection with our audit, we reviewed the budgetary controls that are in place, and have reviewed the annual financial report that was submitted to the Maine Department of Education for accuracy. In addition, we have reviewed the Town of Southwest Harbor, Maine's compliance with applicable provisions of the Maine Finance Act as noted under MRSA Title 20A, section 6051 as we considered necessary in obtaining our understanding.

The results of our procedures indicate that with respect to the items tested, the Town of Southwest Harbor, Maine complied, in all material respects, with the provisions referred to in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that the Town of Southwest Harbor, Maine was in noncompliance with, or in violation of, those provisions.

Management has determined that no adjustments were necessary to the fiscal books of the Town of Southwest Harbor, Maine and have attached the following schedule as it relates to the reconciliation of audit adjustments to the updated annual financial data submitted to the MEDMS financial system maintained at the Maine Department of Education.

This report is intended solely for the information of the Board of Selectmen, the School Board of Directors, management and the Maine Department of Education. This report is not intended to be and should not be used by anyone other than the specified parties.

RHR Smith & Company

Buxton, Maine
February 23, 2018

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TOWN OF SOUTHWEST HARBOR, MAINE
 RECONCILIATION OF AUDIT ADJUSTMENTS TO ANNUAL FINANCIAL DATA
 SUBMITTED TO THE MEDMS FINANCIAL SYSTEM
 FOR THE YEAR ENDED JUNE 30, 2017

	General Fund (1000)	Special Revenue Funds (2000)	General Reserves (4000)	Total
June 30 Balance per MEDMS Financial System	\$ 182,122	\$ (632)	\$ 196,567	\$ 378,057
Revenue Adjustments:	-	-	-	-
Expenditure Adjustments:	-	-	-	-
Audited GAAP Basis Fund Balance June 30	<u>\$ 182,122</u>	<u>\$ (632)</u>	<u>\$ 196,567</u>	<u>\$ 378,057</u>

IMPORTANT CONTACTS

Emergency (Police/Fire/Ambulance)	911
Dispatch (Police/Fire/Ambulance)	244-7911
Highway Department	244-7917
Water/Sewer District Office	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 www.pemeticschool.com	244-5502
MDI High School www.mdihs.net	288-5011
Chamber of Commerce	244-9264
US Post Office	244-3456
Mt Height Cemetery	244-3366
Town Web Site:	www.southwestharbormaine.org
Resident Survey:	www.polco.us/southwestharbor