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2009 Annual Report : Town of Southwest Harbor for the Fiscal Year July 1, 2008 – June 30, 2009

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Town of Southwest Harbor



Annual Report 2009

Dedication & Memoriam







Elizabeth King

Elizabeth King lived her entire life on Mount Desert Island where she raised a son, Leslie, and with her husband, Stanwood, was part of the second generation of King family innkeepers at the Dirigo Hotel. The Hotel, built around 1881 at the corner of High St. and Dirigo Rd. served the summer "rusticators" who arrived by steamboat from Boston and New York. In October 1963, the hotel burned to the ground and was not rebuilt. The Kings later bought the Moorings Inn and Restaurant and the Inn remains in the family and continues in the long tradition of summer hospitality in Southwest Harbor. In 2008, as the Town's eldest citizen (she was 102 years old) Mrs. "Libby" King was awarded Southwest Harbor's Boston Post Cane. Mrs. King was born in 1905, the same year that Southwest Harbor was incorporated, after a vote to secede from Tremont over a dispute about whether to build a new school. Mrs. King's husband, Stanwood, served the Town as a Selectman for 27 years, 21 of them as First Selectman, a position from which he resigned in 1965, when Southwest Harbor voted to move to a Town Manager form of government.

Hilda Berry, born in 1923, was a lifelong resident of Southwest Harbor and a constant, calm and friendly face, waiting on the customers at Carroll's Drugstore. She was a member of the Episcopal Church, and for many years Mrs. Berry, while raising their three young children, cared for her husband, Don, who died of multiple sclerosis in 1964. Sadly, Hilda was predeceased by her daughter Shirley shortly before her own passing. In addition to the many members of her family who remain in and around Southwest Harbor, she is gratefully remembered by a number of our community who can attest to her kindness and her discreet and meaningful assistance when it was most needed. Family names linked to Mrs. Berry include Mitchell, Lawson, Norwood, Soares, Trafton, and Bouchard.

The lives of Mrs. King and Mrs. Berry span some of the most interesting times not only of Southwest Harbor, but the entire country and it is difficult to estimate the loss of their memories and experience, while at the same time we are happy to see so many of their descendants among us, linking our past to our future.



2009

ANNUAL REPORT

TOWN OF

SOUTHWEST HARBOR

Incorporated 1905

For the fiscal year July 1, 2008 –June 30, 2009

Including

The Proposed Warrant

Photos courtesy of MaryEllen Martel, Dennis Dever, and Lydia Goetze unless otherwise noted

GENERAL INFORMATION

Cable Company	Time Warner Cable	207-774-0000
Dump/Recycling/Transfer	EMR, INC.	207-244-4347
Homestead Exemptions	Contact the Assessors	207-244-7915
Veteran's Exemptions	Contact the Assessors	207-244-7915
Property Tax Refund Program	Rent Rebate Program	ME Revenue Service

TOWN CLERK INFORMATION

MOTOR VEHICLE REGISTRATION: You must show proof of current insurance. Bring your current insurance card, vehicle current mileage along with your registration form. The excise tax payable on vehicles and boats may be tax deductible. Save your registration receipts for one year. For New Vehicle Registration the MSRP [Manufacturer's Suggested Retail Price] for your new vehicle should now appear on your application for Certificate of Title [the blue form], which should accompany the Sales Tax form [green] and current insurance on the new vehicle when you come in to register. If you are gong to transfer your plates from your old vehicle to your new vehicle, be sure to bring the yellow registration form for the old vehicle, even though you may have sold it, and the old plates. Do not give your yellow registration form for your old vehicle to the new buyer! You are responsible for surrendering that registration.

BOATS: Boats that will be used in fresh water are now required to show a Lake and River Protection Sticker. You may purchase one at the Town Office.

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

DOG LICENSES: Dogs must be registered by January 31st each year. You need to bring proof of current rabies vaccination and any neutering/spaying information when you initially register your pet. For renewals, only current rabies certificates are required. Registration renewals after January 31st each year will be subject to a late fee by State Law.

HUNTING/FISHING: The State allows a lifetime license for hunting, fishing or a combination of both if you are 5 years of age or younger, or 65 years of age or older. Maine residents over age 70 are eligible for a free license.

VOTER REGISTRATION: This may be done at any time during the year, including the day of elections. You must provide proof of residency in Southwest Harbor and forgo your voting rights anywhere else in the United States at the time of registration here. Voter registration cards are available anytime at the Town Office.

ABSENTEE BALLOTS: This may be done anytime prior to elections. Contact the Southwest Harbor Town Clerk at 244-5404 for further information on this easy process.

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MUNICIPAL OFFICERS AND OFFICIALS

Selectmen and Overseers of the Poor

Dorr Wilson, Chairman Ralph Dunbar, Jr., Vice-Chair Trudy Bickford Berten Willey Kristin Hutchins

Town Manager, Tax Collector, Treasurer & Road Commissioner

Robin M. Bennett

Town Clerk, Registrar of Voters

Beatrice D. Grinnell

Bookkeeper/Deputy Treasurer/Deputy Clerk

Linda Corson

Administrative Assistant & Deputy Clerk

Carol Reed Walsh

Water/Sewer Clerk, Deputy Clerk & Deputy Tax Collector

Tabbetha M. Newenham

Code Enforcement Officer, Licensed Plumbing Inspector, & Planning Assistant

Donald Lagrange

Police Chief & Constable

David Chapais

Interim Public Works Director

Donald Lagrange

Harbormaster

Dennis Dever

Southwest Harbor Fire Chief

Samuel Chisholm

Emergency Management Director

Harold Hall

BOARDS AND COMMITTEES

Board of Appeals

James Geary, Chairman Gretchen Strong, Vice Chairman

Theodore Fletcher, Secretary Charles Morrill

Lunn Sawyer

Comprehensive Plan Committee

Robert Bosserman Lydia Goetze, Acting Chairman Christopher Rawls Kristin Hutchins, ex officio

Conservation Commission

Sid Salvatore, Chairman Kathleen Slack

Susan Allen James Geary, Treasurer
James Vekasi Ann Judd, Associate Member

Joseph F. Dutra, Tree Warden

Harbor Committee

Weldon Leonard Harold Hall
Shawn Clements Corey Pettegrow
Jeff Reed James Snow

Kenneth Hutchins, Chairman Cameron Frothingham

Vaughn Clark John Seavey

Planning Board

Lee Worcester, Chairman Chris Rawls, Vice Chair Michael Magnani Gordon Wissinger

Ryan Donahue, Secretary Eric Davis

Robert Bosserman

Shellfish Commission

Jim Colquhoun, Chairman Andy Mays George Jellison, Jr. Clayton Strout

Solid Waste Committee

Susan Covino Buell Bonnie Burns Dianne Helprin Sam Jacobson

Colton Sanborn Erika Shriner, Chairman Lisa Wissinger Ben C. Worcester, III

Technology Coordinator and Webmaster

Kristin Hutchins

Warrant Committee

Susan AllenRobert BossermanMaryann GriffinSandra JohnsonWilliam RatcliffDebra SannerMelissa BerryMichael Young

Southwest Harbor Housing Authority

Terrance Kelley, Executive Director Bruce Bicknell Karen Craig Lee Worcester, Chairman Patricia Benedetti Sandra Murphy, Tenants Rep.

A.O.S. #91

Superintendent of Schools

Robert Liebow

Pemetic Elementary School Principal

Diane Helprin

Schools Committee

Joe Saunders Ingrid Kashmar Prentice Strong, III Amy Young

Erica Lindquist

STATE REPRESENTATIVES

State Senator

Dennis S. Damon 256 Oak Point Road Trenton, ME 04605 The Maine Senate, District 5 3 State House Station, Augusta, ME 04333 Phone: 207-287-1515 Rep. to the Legislature, District 35

Elspeth Flemings 25 Eden Street Bar Harbor, ME 04609 House of Representatives 2 State House Station, Augusta, ME 04333 Phone: 207-287-1400

FEDERAL GOVERNMENT REPRESENTATIVES

U.S. Senate

Susan Collins 413 Dirksen Senate Office Building Washington, DC 20510 Phone: 202-244-2523

Fax: 202-244-2693

U.S. House of Representatives

Michael Michaud U.S. House of Representatives 1724 Longworth HOB Washington, DC 20515 – 1902

Fax: 202-255-2943

2NO DISTRICT, MAINE

WASHINGTON OFFICE 1724 LONGWORTH HOUSE OFFICE BUILDING

724 Longworth House Office Building Washington, DC 20515 Phone: (202) 225-6306 Fax: (202) 225-2943

www.michaud.house.gov

Congress of the United States House of Representatives Washington, DC 20515

COMMITTEES:

VETERANS' AFFAIRS SUBCOMMITTEE ON HEALTH CHAIRMAN

TRANSPORTATION AND INFRASTRUCTURE

SUBCOMMITTEE ON HIGHWAYS AND TRANSIT SUBCOMMITTEE ON RAILROAD, PIPELINES AND HAZARDOUS MATERIALS SUBCOMMITTEE ON ECONOMIC DEVELOPMENT, PUBLIC BUILDINGS AND

EMERGENCY MANAGEMENT SMALL BUSINESS

SUBCOMMITTEE ON RURAL AND URBAN ENTERPRENEURSHIP SUBCOMMITTEE ON FINANCE AND TAX

January, 2010

This past year, Mainers have faced many challenges. Yet as I travel across our state, I am inspired by the stories I hear of people coming together to help their friends, families and communities. I also continue to hear from many people who are worried about losing their jobs, heating their homes, putting food on the table and getting affordable health care. Although there are a few hopeful signs that our nation's economy is beginning to recover, there is much more we need to do to help Maine's economy.

Dear Southwest Harbor residents and friends,

As an example, I am very pleased that late last year the newly-created Northern Border Regional Commission received funding and will now be able to start working to create economic development and job creation projects in the most economically distressed areas of Maine, New Hampshire, Vermont and northern New York.

I am also pleased that Congress authorized a pilot program that would exempt Maine's interstate highways from the 80,000 pound federal truck weight limit and help get larger trucks off our back country roads. This is a good first step in addressing this issue, and I will continue to work to find a lasting solution that will improve road safety and increase productivity.

Our country has also taken important steps forward in protecting and improving veteran's benefits and health care. In October, I joined a number of my colleagues at the White House as President Obama signed the Veterans Health Care Budget Reform and Transparency Act. The legislation, which I helped introduce earlier this year, authorizes funding for the Department of Veterans Affairs (VA) medical care programs one year in advance of the start of each fiscal year, helping to end decades of uneven budget cycles and funding shortfalls that have contributed to the rationing of VA health care and inadequate access to treatment for our veterans.

Finally, my staff and I remain committed to providing quality constituent services whether it is help with cutting through red tape or a question about federal programs and benefits. If my office may ever be of assistance, please do not hesitate to contact me at my Bangor office at 207-942-6935 or by emailing me through my web page at www.house.gov/michaud. While on my website, I also encourage you to sign up for occasional e-mail updates on issues important to Mainers.

Thank you again for the opportunity to represent you in Congress.

With warmest regards,

Michael H. Michaud Member of Congress

SUSAN M. COLLINS MAINE

413 DIRKNEN SENATE OFFICE BUILDING WASHINGTON, DC 2054;5-1904 (202) 224-2523 (202) 124-2693 (FAX)

United States Senate

WASHINGTON, DC 20510-1904 January 14, 2010 COMMITTEES: HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS R. CNKING MEMBER ARMED SERVICES SPECIAL COMMITTEE ON AGING

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

Dear Citizens of Southwest Harbor:

In 2009, I began my third term in the United States Senate. I remain deeply honored by the trust the people of Maine have placed in me, and I appreciate this opportunity to report on some highlights of my recent work in the U.S. Senate.

A significant accomplishment came in December when the President signed transportation legislation that includes a provision I authored to create a one-year pilot project to allow trucks weighing up to 100,000 pounds to use federal highways in Maine. This is moving heavy trucks off Maine's secondary roads and out of our downtowns and onto our modern, multi-lane, controlled access highways for one year, during which time a study of the impact on safety, commerce and road wear-and-tear would be conducted. In addition, this change helps to level the economic playing field, as neighboring states already have this exemption.

My appointment in early 2009 to the powerful Appropriations Committee has allowed me to have greater influence on the funding of priorities that are important to Mainers, such as shipbuilding, health care, education, and transportation, while also giving me the ability to continue pressing for the elimination of wasteful spending that exacerbates our federal deficit.

As a member of the Senate Armed Services Committee, I continue to be an advocate for Bath Iron Works, the Portsmouth Naval Shipyard, the Maine Military Authority in Limestone, and the many other defense contractors and institutions in Maine that contribute so much to our national security. In August, I traveled to Iraq and Afghanistan and had the opportunity to meet with many service men and women from Maine. My conversations with them were the most important aspect of my trip to the region. Our troops are brave, dedicated, compassionate, and highly skilled. I will continue to work hard to ensure that they have the support their difficult missions require.

Perhaps the greatest challenge facing our nation continues to be the struggling economy, and among my highest priorities are getting our people back to work and our economy back on track. That is why in early 2009 I joined a bipartisan effort to pass the American Recovery and Reinvestment Act. The bill contains robust infrastructure spending, significant funding for state aid and education, and tax relief for low- and middle-income families and for small businesses. As a result of this bill, Maine is receiving approximately \$133 million for highway investments, more than \$50 million combined for the Clean Water and Drinking Water State Revolving Funds, and \$70.5 million for weatherization and energy efficiency projects.

Energy policy remains another great challenge: America's reliance on foreign oil harms our economy, our security, and our environment. Meeting the challenge of developing energy alternatives will provide great opportunities for Maine to build an economy for the future, with new industries and thousands of good jobs. This endeavor received a significant boost last October when the U.S. Department of Energy announced an \$8 million grant for deepwater offshore wind research at the University of Maine, and Congress also approved \$5 million I sponsored for the Maine Offshore Wind Initiative at UMaine. This January, the U.S. Department of Commerce announced a \$12.4 million laboratory construction grant for the University of Maine. I strongly advocated for these projects because, with some of the strongest winds in the nation off our coast and some of the best engineers in the field, Maine has great potential as an ideal location for offshore wind projects and

can take the lead in the development of clean, renewable, and affordable energy for America. Estimates are that development of five gigawatts of offshore wind in Maine – enough to power more than 1 million homes for a year – could attract \$20 billion of investment to our state and create more than 15,000 green energy jobs that would be sustained over 30 years.

Of course, this past year brought not just successes. A disappointment was the failure of Congress to produce bipartisan health care reform legislation that would contain soaring costs and provide more choices for struggling families and small businesses. I am deeply concerned about the nearly \$500 billion in Medicare cuts included in the bill.

It is fiscally irresponsible to raid Medicare – a program which already has long-term financing problems – to pay for a new entitlement program, particularly at a time when the number of Medicare beneficiaries is on the rise. The bill would saddle Maine's hospitals with some \$800 million in Medicare cuts over the next ten years, and could push one in five hospitals, nursing homes, and home health providers into the red. Ultimately, such cuts could jeopardize access to care for millions of our nation's seniors.

As the Ranking Member of the Senate Homeland Security Committee, I am committed to ensuring that our nation is as safe as possible and that government is better prepared to respond to disasters. The Christmas Day terrorist attempt to detonate explosives on an aircraft reminds us of the dangers we continue to confront. My homeland security priorities include further strengthening our defenses against terrorism and providing our first responders with the resources they need.

On March 19, 2009, I reached a personal milestone when I cast my 4,000th consecutive roll call vote, continuing a record of participating in every single roll call vote since I first came to the Senate in 1997. I am grateful for the opportunity to serve Southwest Harbor 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 http://collins.senate.gov. May 2010 be a good year for your family, your community, and our state.

Sincerely,

Susan M. Collins United States Senator



MESSAGE TO THE CITIZENS OF SOUTHWEST HARBOR

Dear Friends and Neighbors,

I am honored to continue to represent you in Augusta in the Maine House of Representatives. I am now in the midst of my second year as your State Legislator, and I hope to have the honor to continue serving you and our State in the years to come. The Legislature was out of session starting in June of last year, but we reconvened in January to continue working on behalf of our communities and the people of Maine.

The current session brings many challenges. The state of Maine is facing record revenue shortfalls. As I'm sure you've experienced, the recession that has struck the national and Maine economies has proven to be severe across our region. Although the economy is now beginning to show some signs of recovery, our communities and community members are still struggling, and we are facing dramatic downturn in state revenues across the country, with Maine being no exception.

Unfortunately, these dramatic shortfalls are leading to further difficult cuts in state spending. The current budget is already smaller than the last budget by \$500 million, and the state is still facing a budget gap of over \$400 million. Rest assured, we will work very hard on your behalf to protect the state's most vital services, to continue to provide safeguards for our most vulnerable friends and neighbors, and to ensure that our State is in a strong position to move forward as the economy recovers.

Despite a lack of funding, the Legislature was able to tackle many issues that are important to Mainers during the last session. We made great progress on issues such as energy weatherization, health care, economic development and tax reform. I am proud of what we accomplished so far, and we will continue to work hard on issues important to Mainers.

As a member of the Taxation Committee, I am committed to working with my legislative colleagues to support the needs of our communities, encourage economic development, benefit our citizens, and assure that we have the resources to invest in our future prosperity. We worked hard last session to improve our tax structure to better benefit individuals and businesses, to create greater stability, and to encourage people to live and invest in Maine. We will continue to work towards those goals and to bring about real, meaningful solutions to the pressing challenges before us.

The most rewarding part of my job as a legislator is talking with and hearing from each of you, my constituents, neighbors and friends. If there is anything I can do to assist you with local or state issues, or if you would just like to share your views with me, please contact me and I will do everything I can to assist you. I wish you the very best in the coming year, and I look forward to hearing from you.

Sincerely,

Elsie Flemings State Representative 124th Legislature Senate of Maine Senate District 28

Senator Dennis S. Damon

Transportation Committee, Chair Marine Resources Committee, Chair 3 State House Station Augusta, ME 04333-0003 (207) 287-1515

> 256 Oak Point Road Trenton, ME 04605 (207) 667-9629

Residents of Southwest Harbor,

As I enter my final session in the State Senate as your senator let me say again what an honor and privilege it has been for me to serve you. The 2010 Legislative Session will be difficult because the budget will require cuts in spending and reduced services. I am sure you realize these are difficult economic times and they call for difficult decisions.

While overcoming the budget shortfall will require patience and stamina I am optimistic this challenge will be met. I continue to be excited at the prospect of working closely with local leaders and you to help solve these problems.

In an era of increasing technological advancement it is important to protect the privacy of Mainers. There is a delicate balance that must be struck between protecting our privacy while at the same time working efficiently to catch those who have violated our laws. To that end I have submitted a bill which will strictly limit the use of traffic surveillance cameras in broad sweeps of the general public. My goal is to protect the privacy of citizens but will not prevent law enforcement from doing its job.

The eight years I have served as your senator have flown by. Everyday I am humbled by the confidence and trust you have placed in me. Every morning when I drive to work, the first sight of the Capitol Dome reminds me of the awesome responsibility you gave me to work for you. I never forget that. While serving in elected office I have asked myself two questions: Am I having fun? Am I making a difference? To the first I can say I have enjoyed every minute. To the second ... I leave that for you and history to answer. Thank you!

To keep up to date with the progress of all legislation on the Maine State Senate website: www.janus.state.me.us/legis/

Feel free to contact me with your opinions, comments and questions. I can be reached at home in Trenton at 207-667-9629, or in Augusta at 207-287-1515, or toll free, 1-800-423-6900. I can also be reached by e-mail at dsdamon@panax.com.

Senator Dennis Damon

Maine District 28

Sincerely.

Board of Selectmen

Greetings to the Citizens of Southwest Harbor,

I would like to thank all of the Town Employees & Department Heads, their families, Board & Committee Members and all volunteers for their continued service to the citizens of this community. The work they do makes the job of Selectmen much easier. Thank you! I would encourage everyone to serve on a Committee or Board and be part of your local government.

The Board of Selectman has had another busy year. The down turn of the economy over the last 18 months has now begun to affect the local businesses and their employees. We have made a great effort to hold budgets as close to a zero increase as possible. With the overview of the Warrant Committee, we believe that next year's budget will meet that goal.

This past year, the rebuilding of the lower half of the Town Office building has been completed for The Police Dept. The project was projected to cost the Town \$800,000 but we are pleased to report that the final cost was \$452,000. This reflects a considerable savings to the taxpayers of Southwest Harbor and the Police Department is now operating out of a dramatically improved space.

The Water Department completed many projects to improve the quality of the Town's drinking water and to meet the Federal Safe Drinking Water requirements. One was the extension of the suction line into deeper water for the purpose of getting less organic matter. The upgrade to the pump house is also completed. A new generator, heating system and backup pump has been installed to meet the need during long power outages. The biggest part of the improvements has been the installation of the Aeration system into the Filter Plant. With this upgrade, the operation of the filter plant will improve the quality of the water by removing more of the unwanted compounds. We are excited to now be in the testing stage though it will take a period of adjustment to get all the systems to work together.

The Town has a great need for improvements to the infrastructure of our roads, sidewalks, sewer and water pipes. The Selectmen, Town Manager and Public Works Department are spending a great deal of time developing a plan to address these issues. We have set aside money to hire an engineer to prioritize our needs and to help implement this plan. There is Federal stimulus money available for projects that have completed the engineering phase and we hope to receive some of those funds as we move forward.

The Town newsletter has been a great tool for getting out information to the citizens of our community. The Town's Web Site is also available to see the latest Board & Committee Agendas & Ordinances and we hope this has proved useful.

Respectfully Submitted,

Dorr "Skip" Wilson, Chairman

Town Manager

It's hard to believe another year has gone by here in Southwest Harbor. We have been busy with our annual routines as well as taken on the adventures of three construction projects this year. We hope the community sees the progress that has been made and can be proud of the accomplishments we have achieved as a community.

In the past year, we have welcomed a number of new employees to the Town. In the Town Office, we have added Tabbetha Newenham as our Water and Sewer Clerk. Tabbetha had previously worked for the Town of Hancock for two years. Code Enforcement Officer, Don LaGrange, has been pulling double duty working as Interim Public Works Director. Don has done a great job and his tireless efforts have been greatly appreciated. The Police Department adds Rick Graham to its ranks. Rick comes to us with experience working with the Bar Harbor Police Department.

The Police Station underwent a complete renovation this last year. The space that once occupied the Police Department as well as the Fire Department was completely gutted and renovated. Overall, the project went well. We were able to capitalize on a competitive market and the bids came in well under budget. We ended up closing the loan for \$380,000 at a 4% interest rate. When we secured funding in early 2009, we had locked in at an interest rate of 4.75% but the economic climate was such that when we closed the loan we received the better rate. I hope that you all get the opportunity to attend our open house to see the new facility.

Another big project we have been working on this year is the upgrades to the Water Treatment Plant. The Water Department has been working under a Consent Agreement with the State to bring our treated water into compliance with current regulations. We have worked closely with our Engineers at Olver Associates along with State officials to fix this problem. I have been told 80% of Maine's water departments and districts are facing the same compliance issues. The new aeration process has recently gone on-line and I am happy to report early results look promising. We will begin testing out in the distribution system after mid-April and that will begin the year long process of testing to see if this solves our THM compliance issues once and for all. At the same time, we installed generators at the filtration plant and the pump station and extended the intake pipe in Long Pond. Again, we were able to capitalize on the economic environment and received a 30% grant to complete this project with a 0% interest loan on the remaining balance.

We are in the process of extending the Lower Town Dock. This project has had some delays and unforeseen changes and challenges but is scheduled to be complete later this spring. We have been fortunate that the Maine Department of Transportation has been a great partner in this project. We originally received a grant to fund 50% of the engineering costs which got the project off the ground. Later, we applied for and received a grant to pay for 50% of the construction costs. When the bids came in over budget and we made changes to the original contract, MDOT amended our original grant to provide the Town with additional funds to pay for 50% of those changes.

As many of you know, the Water Department has been seeking a water rate increase. Although it is never a pleasant task, it is important that the Department get the rates it needs in order to operate properly. The increase has sparked debate over the needs of our entire Town infrastructure especially the infrastructure one does not see because it is underground. The Board of Selectmen is looking at addressing the situation in a comprehensive manner. We want to make sure we are properly addressing the conditions of the water and sewer infrastructure at the same time we rebuild our roads. There is a lot to do in this area but I am confident that as a community we can all work together to find a good solution.

With the implementation of the Capital Improvement Plan two years ago, we have begun to see the benefits of having such a plan in place. Although we have a ways to go before it is properly funded, we have been diligent in funding the highest priority needs and have had the funds available to make the necessary purchases.

I want to take this opportunity to thank the Board of Selectmen, the employees, and the numerous volunteers for all their hard work and dedication to the Town of Southwest Harbor. I look forward to working with everyone in the upcoming year to make the Town of Southwest Harbor a better place to live, work and visit.

Respectfully Submitted,

Robin M. Bennett Town Manager



Code Enforcement

Flood Insurance:

Southwest Harbor participates in the National Flood Insurance Program (NFIP). This is a reminder that any changes to structures or properties in low lying flood prone areas and especially along the coast line may need to comply to flood zone requirements and a permit is required. Other areas that may occasionally sustain water damage could also be prime candidates for this extra protection.

New Streets:

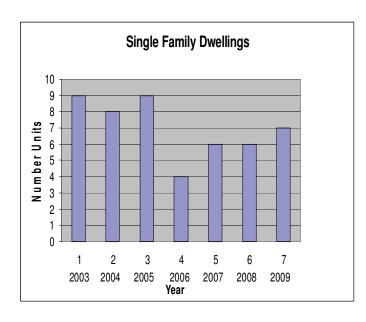
Echo Lake Beach Road has officially been designated in the emergency 911 system. Another road off Hutchins Lane (off Wesley Ave) has been named Moss Hill Lane

Permit Activity:

A total of 87 permits were issued with fee receipts totaling \$22,978 during calendar year 2009. A view (below, left) indicates number of single family units for comparison during the past seven years. The category on the right shows the number of permits issued by classification in 2009.

Plumbing Permits:

The state has imposed an additional fee of \$15 for all septic system designs. The average permit fee for a septic system without variances is now \$115. A total of 43 permits were issued in 2009 which include both internal plumbing and septic systems. Total fees received was \$3,818.



Category	2009
Accessory Dwellings	4
Additions	20
Commercial	2
Decks/Porches	3
Flood Permits	3
Garages/Barns	8
M/H & M/H replacements	0
Misc	23
Piers	2
Sheds	10
Signs	3
Single Family	7
Single Family Replacements	2
	87

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

Respectfully Submitted,

Donald R. Lagrange Code Enforcement Officer

Harbormaster

The summer of 2009 didn't arrive until almost fall. That combined with an unproductive economy made for a "slow" boating season at first, but things caught up in August and the nice autumn had people enjoying the water a little longer than usual. Early December brought one of the most powerful easterly blizzards in local memory with winds gusting 60 knots.

The long anticipated Lower Town Dock extension project commenced in October but issues including material delivery delays have it stalled through mid-winter. We're still on track to have it finished in early spring. The dock will extend outward another fifty feet with an additional large float to increase capacity and access during low tide. Local lobstermen provided valuable input as the project started up. We took delivery of a new Harbormater boat in June. This little workhorse not only enhances versitality for the Harbormaster; it provides an interface for Fire, Police, and emergency medical missions in the harbor as well. With a few inexpensive improvements the "Manset trailer" has become a year-round base allowing more watch over the harbor and on-site availability in the winter. It has major shortcomings though, and a new facility is in the intermediate future. Better reliability, safety, and security of the Manset Dock's hoist came with an upgraded control system and rebuilt motor. We're planning to rig the Lower Dock hoist comparably. Thanks to the Ellis Boat crew for repairing and extending the potable water line along the Manset Dock last summer.

Mooring management tightened up and we gathered a staggering amount of data on what's out there. This will result in an accurate mooring plot and basis for future plans with fairways, aids to navigation, anchorage...and hopefully room for more moorings. The waiting list holds around 100 people wanting to bring in a boat with more income and business to our harbor and town. The old Manset Dock ramp/dinghy floats are slated for replacement in May with a heavy duty system appropriate for the heavy use and rough location.

Continuing to look ahead we have a plate full of improvements scheduled for 2010 including replacement of the Manset Dock electrical conduit sevice, outer trap slide and fender piles (or "spy-ill-ins" in Maine-speak), and a light pole at the tip of the Lower Town Dock to illuminate the historically dark floats. A trailer for the Harbormaster boat will better accommodate maintanence and save money over commercial haul-out and storage.

At least three people fell overboard near Town Docks last fall/winter. All of them were in grave danger but were saved by heroic action from others on the waterfront. Most spectacular was a dive from the Manset Dock into 40-some degree water by RDR Lobster's driver, Jake Martin. He went after a man who fell from a nearby boat and couldn't swim. Jake finished off a long work day out on the dock in soaked clothes, a classic example of our peoples' determination. We're all caught in an evanescent mesh holding us together and letting us go depending on whats happenning...despite any personal likes or differences. Here someone you don't particularly like might well save your boat, even your life. But check the pendant often and wear your lifejacket anyway, he or she may not be around.

Respectfully Submitted,

Dennis Dever Harbormaster

Police Department

I would like to begin by thanking the citizens of Southwest Harbor for their continued support of their Police Department. I would also like to thank the staff of the Southwest Harbor Police Department; Dispatchers Ben Harper, Linda Herrick, Jason Blocker and Traci Patton along with officers Lieutenant Mike Miller, Allen Smith, Aaron Arsenault and Rick Graham for their continued dedication and hard work.

Thanks to Reserve Officers, Nick Hardwick, Shawn Murphy, Ryan Haines, Michael Allen and John Walsh, along with the part time dispatchers, Rod O'Connor, Joni Roths, Dave Robertson and Elliott Spiker and Michael Allen, who have again covered shifts due to vacations, sick days, holidays and training.

Congratulations to Ben Harper for celebrating 30 years as a Dispatcher for the Southwest Harbor Police Department. For anyone who has had contact with Ben at Dispatch, his expertise and caring disposition are obvious. His dedication to service does not go unrecognized, and he is an invaluable asset to the Department.

We welcome new full time officer Rick Graham who joined us in July of 2009. Prior to being hired, Officer Graham was a private investigator. He also worked as a Police Officer with the Bar Harbor Police Department for ten years, several of those years as a Sergeant.

After several years of planning, meetings, and designs I am proud to announce that as of December 9th, after 6 months in the temporary location at the Southwest Harbor Fire Department, the Southwest Harbor Police Department is now located back in the center of Town in the newly renovated office located at 26 Village Green Way. The new department now houses a spacious Dispatch Center along with individual workspaces for each officer. We are all very excited and pleased with the transformation. I would like to thank Fire Chief Sam Chisholm and all the firefighters for their patience and cooperation during our stay. If you haven't had an opportunity to see your new Police Department please stop by for a visit.

Community outreach continues with the D.A.R.E. (Drug Abuse Resistance Education) program which I have been teaching for thirteen years. It continues to be an important part of the curriculum presented at Pemetic Elementary School. It is by-far one of the most rewarding and enjoyable programs that I have had the pleasure of participating in each year. Thanks to the teachers and staff for their continued support of this important program. The bike rodeo held in 2009 was again very successful with many young riders learning the importance of wearing a helmet as they maneuvered their two and three wheeled bicycles through the obstacle course. Thanks to the Kiwanis for their donation of hot dogs and soda. Halloween safety was the topic for the Pemetic K-4 students in October, just before their Trick or Treat adventures.

We continue to invest in the education and training of our officers. During the year officers participated in the following training: New Law Update, New Case Law, Search

and Seizure, Domestic/Sexual Assaults, Firearms Training, Community Policing, Dealing with the Mentally Ill, Active Shooter and CPR. In-house training will continue throughout the upcoming year.

During the past year we continue to see increases in several types of complaints while seeing some improvements in others. Below is a chart showing a break down of various complaints for 2009:

	2008	2009	% 分↓
Total complaints	1979	1663	₽15%
In Person Visits	2509	3179	☆26%
Fire Permits Issued	743	781	☆5%
Arrests	46	40	₽13%
Traffic Summons	111	73	₹34%
Domestic Assaults	3	8	仓
Thefts	33	44	☆33%
Noise Complaints	32	33	
OUI	11	10	
Assists EMS Fire Other Law Enforcement	92 25 93	128 22 66	û39% &29%
House/Business Alarm Reponses	93	78	₽16%
Drug Complaints/Arrests • Possession Marijuana • Other Scheduled Drugs	6 5 1	2	
Other:			
 Vandalism E-911 hang-ups Scams/Fraud Phone Harassment 	29 37 5	10 49 4 8	⊕65% 합32%
Traffic Accidents	98	88	₽10%

We are making every effort to use all the technologies available to us to provide you with the most current and up-to-date information. With this said, I would like to introduce the citizens to a new informational website called *Nixle*. This website provides valuable real-time information about happenings in our Town such as, road closures, traffic accidents, detours due to fire, maintenance, etc. It is maintained by members of the Southwest Harbor Police Dispatch and the Southwest Harbor Fire Department. Just log on to www.nixle.com and sign up, you can opt to receive messages via text to your cell phone or sent to an email address. Along with this, if you are a user of *facebook.com* you can friend us at Southwest Harbor Police Department; there you'll find many different types of community related topics. For you tweeters you will soon be able to follow me at *twitter.com*, log on and add *Dave_Chapais*. Your feedback is greatly appreciated.

As always, please continue to visit our website at *www.swhpolice.com*. To date there have been 14,978 visitors to the site. There is now a link to the Southwest Harbor Fire Department's website. There are many other links to interesting and informative topics,

such as, domestic violence, operating under the influence and the consequences, a bike registration form, and a link to D.A.R.E. America.

In conclusion, I would like to thank the citizens of Southwest Harbor, the Select Board, Town Manager, Fire Department, SWH/Tremont Ambulance and neighboring agencies for their cooperation and assistance. I look forward to working closely with them this year.

Respectfully Submitted,

David Chapais Chief of Police



Fire Department

The Fire Department responded 81 times to calls for assistance during the year of 2009. These calls were logged as:

Structure Fires	13	Automobile/Boats	3
Motor Vehicle Accidents	10	Rescue Calls	3
Emergency Medical Calls	5	Vegetation Fires	3
Investigations	19	Hazardous Conditions	7
Assist Other Agencies	7	Other Calls	11

While 2009 had the Fire Crew running on a slightly below average number of calls, the variety that we were called to kept things interesting all the same. Structure fires and motor vehicle accidents made the winter months go by quickly with the remainder of the year keeping us in practice with a wide variety of calls in every category.

The Southwest Harbor Fire Association were confronted with the pinch of the recent economy down turn processing almost twice the number of requests for assistance as they had for the year 2008. The Association wishes to thank all those that have come to their suppers and other fund raising activities, for without your generous support, they would have been unprepared to help those so desperately in need.

In June, I once again had the privilege of watching two more of our members graduate from the State Fire Fighter Academy. Lynne Brown and Sash Gowell reached the coveted National Ranking of Firefighter class 2, strengthening our abilities to serve our town with highly trained firefighters.

Santa Claus arrived in August with the Town of Mount Desert and the Mount Desert Fire Department passing on to the Fire Department its recently retired Ladder Truck. The fires on Main Street in Northeast Harbor were the closing arguments to the desperate need for ladder service in Southwest Harbor. The Veteran 1981 American LaFrance 75 foot Quint style truck gives us a head start on containing anything that may strike rather than having to wait up to a half hour for a mutual Aid ladder to arrive. I cannot express enough my gratitude to the Mount Desert Selectmen and Fire Department for their generosity and concern for adequate Fire Protection for our Town.

On behalf of the Town of Southwest Harbor, I wish to express to all the volunteer members of the Fire Department our sincerest thanks for all that you do for your town with no expectation of reward. Whether you are running into a burning building while others are running out, spending countless hours patching together our tired old trucks in hope they will run another year or just washing the floors and cleaning the toilets for another public meeting, what you provide can only be valued as priceless, you are the faces of the true Maine spirit. Our communities cannot replace what Volunteers do for them and still benefit from the love and caring that drives you to do what you do.

Respectfully Submitted,

Samuel T. Chisholm Chief

PUBLIC WORKS

Street Improvements:

Three streets resurfaced in 2009 include North Causeway Lane, Maple Street and Alder Lane. The sidewalk on the south side of Clark Point Road at the corner of Main Street was rebuilt and resurfaced. To reduce storm water runoff and minimize water damage to private properties as well as reduce ice sheeting on the road, three oversized culverts were installed on the Fernald Point Road. East Ridge Road sustained heavy damage from the flooding event in June, 2009. Several other roads required shoulder work, asphalt patching as well as culvert cleaning as a result of this event.

Flood Protection:

The State was able to declare a flood disaster for the above event, which provided funds for the clean up and road repair. Abutters on Seal Cove took some photos of Marshall Brook flooding which appeared to crest the road by 2-3 feet with a fast current. These same photos made their way to the national park service magazine illustrating Southwest Harbor and the brook. This attention brought focus for remediation through MEMA, Maine Emergency Management Authority, the state agency for the Federal Government flood program. This is a favorable consequence of maintaining town flood certification with the State and the Federal Government.

New Equipment:

A street sweeper was added to our equipment inventory. No longer is the Town dependant on subcontractors and subject to their scheduling; we can maintain the town streets more often, clean out catch basins and keep the parking lots looking good. The savings will be substantial with this equipment available at any time. Special town occasions or activities can be properly prepared for. A new Freightliner plow truck was added in the fall. It has a stainless steel body which should provide long life and better performance. It is also has an automatic transmission for less driver fatigue during long winter storm events.

With the upgrade of the municipal building generator, the existing generator was moved to the Public Works garage on Seal Cove Road. Should a power outage occur, the complex will automatically switch to the auxiliary generation. Previously, a portable unit was used for specific applications at the town garage. Now, all functions will be in working order during outage events, especially the winter connections to all diesel engines.

Sewer Department;

The sewer facility received approval for the renewal of the Maine Pollutant Discharge Elimination System Permit and Waste Discharge License from the Department of Environmental Protection. Applications are submitted and permits are approved every five years. Keep watch for near-future Federal and State regulations regarding nitrogen disposition which will affect effluent rules; it may require a retro-fit or expansion of the current sewer treatment facility.

Water Department:

The water filtration project provided a new intake pipe into Long Pond that is substantially deeper than the previous intake flow. Long Pond is the primary source of public water supply. A new aeration system was installed in the infiltration water plant to improve water quality. A program to replace water meters due to their age and in many cases, disrepair has been implemented. The primary obstacle to this project involves scheduling a convenient entry time between the water customer and the water technicians. Many road side curb boxes have been replaced which provides for water supply to individual residents.

Respectfully Submitted,

Donald R. Lagrange Interim Public Works Director

Pemetic Elementary School

It is a pleasure to be given the opportunity to inform you about all of the positives going on at Pemetic Elementary this past year. We continue to strive to provide our students with the best possible academic experience in the most supportive environment, funded within a fiscally responsible budget.

We continue to work on building a sense of community at Pemetic and creating a caring and safe environment for all of our students. We are one of the few schools left able to continue the D.A.R.E. program for our 5th graders. The D.A.R.E. program gives kids the life skills they need to avoid involvement with drugs, gangs, and violence and we're so fortunate to have this course taught by our very own SWH Police Chief, Dave Chapais! He comes in each week to talk with our students about their choices and it gives him a chance to get to know each child before they enter into middle school. We also recognize students 'caught' following the Golden Rule, treating others as they would want to be treated, on our bulletin board in the central hallway. Our full-time guidance counselor, Carolyn Todd, follows our No Bullying Policy and meets with classes to offer support when needed, as well as meet individually with students.

We are fortunate to have such an **outstanding staff** at Pemetic. We have several Master Teachers and Golden Apple recipients, recognized for their outstanding skills. This year I was honored to receive the 2010 Maine Principal of the Year Award and designated as a National Distinguished Principal. Please check out our teachers' websites to see the latest in what our students are doing in their classrooms. The websites can be accessed through our school website at http://manila.pemetic.u98.k12.me.us.

We are continuing to work toward having our **students be responsible and motivated** in their learning. We continue to recognize Students of the Month who are nominated by their teachers for working hard toward their personal academic goals. These students receive certificates with their pictures to document their achievements. Our middle school students are recognized at awards assemblies held after each grading period and receive ribbons for their grades and improvement with their academics. We had 2 students last spring recognized as semi-finalists in a writing contest, chosen out of over 1500 entrees in Maine. Learning labs are available before and after school for students who need help with their homework and all students have access to a laptop for work in their classrooms.

We want to continue to encourage **parent support** by expanding our parent volunteer program and participation in the PTO. The PTO has again this year been a huge financial support to our school. They organized one large fundraiser in the fall, which then provided money throughout the year for extra items or programs for classrooms. Carol Null, our librarian, organized the PTO Book Fair, raising \$2000 for books and materials for our library. Our many parent and community volunteers are recognized in May with a Volunteer Brunch organized by the staff and students.

The teachers are all working closely with the AOS staff to develop and follow a consistent and aligned curriculum for all subjects. A continued goal for us this year was to increase our projects that involve service learning with the community. Pemetic Elementary School has been chosen as a design site and asked to implement at least two Green School STEM/SL projects that integrate research-based STEM instructional strategies with the KIDS service-learning model. Bonnie Burne and Bob Sattler will present the projects and serve as coaches for Expansion Site teachers at the KIDS/MMSA Summer Institute in July of 2010. Students in the building class are working on making a snack shack for the ball field for use during games. Middle school students are working on researching and raising money for a wind turbine for the roof to help generate energy. These are just a few of the many community projects we are working on or have completed.

We have worked to **differentiate our instruction** to meet the individual needs of our students. Plans are designed by our Student Assistance Teams and are constantly revised and updated with data to determine if we are seeing progress with our strategies. We use several computer programs that help us deliver instruction at individual levels for students, including Lexia, Fasttmath Aleks and the SRC reading program.

We use the Northwest Evaluation Assessment with our students to get beginning, middle and end of the year **assessment data** to measure yearly growth in math and reading. We use this information to help us improve our instruction. Our NECAP scores (state standardized tests for 3rd through 8th graders) taken this year were well above the State averages and exceeded the target scores for making adequate yearly progress.

Our students have many **extracurricular activities** to choose from and we are proud to have 90% of our middle school students involved in one or more of these programs. Our Pemetic Show Choir and our Jazz Band have both qualified to go on to the State competitions in the past. The Jazz Band has placed 3rd in the State with individual students recognized for their outstanding musicianship. We also have a Junior Thespians Club and perform at least one play each year. Our cross-country team and girls' basketball team won the league championships, with our boys' basketball coming in second. We also have a chess club, a robotics club and now a sewing club for students available after school!

The Cathrine Johnson grants provided many **arts** experiences for our students this year, which included: inviting Mike Bennett to come to have the children play kjembes and learn about traditional West African music and dance; traveling to the Collins Center for the Arts to watch "Tao: The Martial Art of Drumming" after dinner at a Japanese restaurant; bringing in Francis Mbappe to share his world of music and French; hosting Karen Ressel, fiber artist, to teach students weaving; Calef Brown, author, to visit the school in coordination with SWH Library; "Heroes Through Visual and Performing Arts" and athletic dance with Mary Lyman; hosting Mikee Ostroski, playwright and actor, to teach about performing arts; travel to the Portland Museum of Art; felting; digital photo workshops; primitive pottery; fused glass and jewelry making; and basketry after school!

Nurse Pilar was able to offer several clinics for flu vaccinations, including H1N1, for our community. Our recess-walking program continues and includes all kindergarten through fifth grade students with parent volunteers led by Nurse Pilar. We have also added a 'Walk to School' program once a month. Our lunch program consists of a daily vegetable and fruit bar for students to choose from in addition to the daily entrée.

We continue to enjoy our **beautiful facility** and the added parking in the back has allowed more parking in the front for parents and visitors.

Thank you all for your continued support and help in educating our children!

Dianne Helprin Principal, Pemetic Elementary



MDIRSS Superintendent of Schools

As always we are pleased to have this opportunity to highlight the years' developments regarding our schools for the Mount Desert Island Regional School System school board. The 2008-2009 school year is one that will be remembered for its transitions. With school consolidation behind, however, we are moving ahead to bring forth the best in our students, faculty and staff.

Curriculum, Instruction, and Assessment: As you know, the federal No Child Left Behind legislation requires that by 2014 100% of our students demonstrate mastery of our state math and reading standards on the state test (currently the New England Common Assessment Program NECAP in grades 3-7 and the SAT in grade 11). Despite the flaws in this thinking, the role of curriculum, instruction, and assessment has never been more intense. More than ever before we recognize the need for concisely written curriculum standards, a host of diagnostic assessments, and an arsenal of instructional strategies that can serve us as we work to prepare students to meet this challenge. We are developing these tools in cross-district curriculum teams and common study groups as well as in individual schools. Through it all we continue to seek a balance between federal and state requirements and our own beliefs about what makes good educational sense for our students and our teachers.

Vision and Mission work: Our administrative team worked collaboratively this summer revisiting and retooling the priorities and action steps of our educational vision document—the place where we identify important goals, objectives, and tasks that should be kept at the heart of our individual and collective efforts. This document has served as a centerpiece for district-wide and school improvement planning since fall, 2006. This year, our objectives focus on instructional improvement. To be clear, our schools are full of top-notch teachers whose instructional practices are outstanding. There are always areas that can be improved and as we work to transform our standards-referenced educational program into a standards-based educational program we are identifying areas that we need attention. The areas of designing targeted lessons for specific learning outcomes, developing diagnostic assessments that uncover student misunderstandings, applying appropriate interventions, and reporting student progress are first and foremost in our work plan.

Special Services: Our schools strive to provide support for the students whose unique needs require flexible instruction or targeted intervention. Our challenge is assuring that our interventions are implemented in a systematic and responsive way that matches each student's profile. Pearson Inform allows us historical and accessible data to monitor student progress and our response through instructional intervention. Federal stimulus money is being used to coordinate these efforts, build our toolbox of resources and provide professional development to support the academic success of students struggling to meet grade level expectations.

I would be remiss to omit my ongoing concern about student mental health needs. These issues continue to increase in incidence and urgency. While this is not the primary role of public schools, these issues frequently interfere with student success and classroom dynamics. The budget woes are having a dramatic effect on the availability of community-based supports for families. Several local counselors work with our schools to provide on site sessions and consultation to staff. Schools will continue to be faced with the challenge of responding to these needs in order to succeed in educating all students.

Staff Development: The 2008-2009 plan for professional development focused on developing our collective capacity to build resiliency among our students at a time when our communities began

struggling with significant economical setbacks. This focus provided additional training to teachers and administrators that many found helpful in their work with young people who experience risk, stress, trauma and adversity in their daily lives.

Service-Learning Programs: Last year over 800 of our students participated in 52 service-learning projects throughout the school system. Service-learning is a teaching method that provides experiences for students to interact with their classmates, teachers and community members in real-life situations. Through these experiences, students are given opportunities to learn and apply skills and knowledge from various academic subjects including literacy, mathematics, science, and social studies, and above all, the opportunity to fill a real community need and participate as citizens. Our unique natural environment and community resources provide us with abundant opportunities to engage students in this important work.

Trenton Transition: We are approaching the first anniversary of our partnership with Trenton Elementary School and we are pleased to share that the experience has been both rewarding and mutually beneficial. Early in 2009, Trenton faculty and staff joined our committees, teams and work groups to begin developing relationships that would facilitate the sharing/learning process. Over the course of the spring months we worked to build alliances between Trenton staff and staff at the Pemetic Elementary School through school visits. In addition, Joanne frequented Trenton faculty meetings to field questions and to provide information about MDIRSS programs and practices. During the summer, many teachers took advantage of instructional grants to redesign their classroom units to reflect the Mount Desert Island Regional School System common curriculum. By teachers' reports, this opportunity was important to a successful beginning this fall and facilitated their increased engagement and confidence in common study and curriculum groups.

Additional Staff: We continue to be able to attract and keep professionals who are outstanding in their profession. Our central office has benefited from the addition of four additional folks. Our part-time Assessment Coordinator, Gail Keith, has been working diligently to put timely and accurate student assessment information in the hands of teachers with the Pearson Inform tool. In addition, she is spearheading a redesign of our report card system to improve its accuracy in reporting on student mastery of the standards. Melissa Beckwith, Assistant Director of Special Services, comes to us with a wealth of experience and expertise—as a special education teacher at the Conners-Emerson School and in a neighboring school district as a Special Services Director. Here in MDIRSS she has renewed her strong relationships and has done a fantastic job with supporting our special education programs. We were also fortunate to hire Colleen Porter and Kelly Robertson as our Occupational Therapists. In addition, MDIHS welcomed Matthew Garrity-Janger as their new principal. He's been a great addition to the high school community and our administrative team.

In sum, we feel very proud to work in this school system. Our staff's collective work ethic, dedication, and commitment to the educational, social, and emotional needs of all our students is unfailing.

Robert E. Liebow Superintendent Joanne Harriman Assistant Superintendent Kelley Sanborn Director of Special Services

Town Clerk Report

Births: 16 Marriages: 16 Deaths: 17

Hilda Berry January 13, 2009 Thirza Wass March 4, 2009 June Faulkingham March 28, 2009 Elizabeth King April 20, 1009 William Curran May 24, 2009 Lisa Sullivan May 26, 2009 Deborah Alley June 24, 2009 Rebecca Underwood July 4, 2009 Jeremiah Mead July 4, 2009 Julia Jenkins August 28, 2009 Cecelia Ingalls September 18, 2009 Julia MacPherson September 29, 2009 Edwin Reed November 18, 2009 Monica Estes November 25, 2009 **David Spurling** December 17, 2009 Warren Allen Workman December 12, 2009

Respectfully Submitted,

Beatrice D. Grinnell Town Clerk

Warrant Committee

To the Voters of Southwest Harbor:

The goal of the Warrant Committee was to make recommendations for the 2010/2011 Budget that keep tax increases as low as possible and, at the same time, meet the needs of the community in a balanced, reasonable and prudent way. The Committee began its budget review knowing the following:

- The Town's share of the High School Budget is \$1,232,862 which is an increase of \$98,869 or 8.7%;
- The Town's share of the County Budget is \$289,875 which is an increase of \$680 or 0.2%.

The Committee held a series of meetings on this year's budget requests beginning in late-January, and spoke with the Town Manager and members of each town department, the Pemetic School Committee, AOS 91, and various Community Service Organizations. As always, the Committee held a Public Hearing for all interested parties in order to broaden the input to this process before finalizing its recommendations.

Based on the above, the Committee recommends a Municipal budget of \$3,229,092 which represents an increase of \$60,022 or 1.9% over the 2009/2010 budget. It also includes an appropriation of \$428,800 to be provided for capital improvements.

The Committee also recommends a Pemetic School appropriation of \$2,954,127 that represents an increase of \$12,815 or 0.4% over the 2009/2010 budget.

When the Committee's recommendations for the Municipal Budget and the Pemetic Budget are combined with the High School and County Budget allocations and then offset with the budgeted municipal revenues, the total amount to be raised by taxes comes to \$7,006,716, which represents an increase of \$173,172 or 2.5%. The estimated mil rate based on this level of taxation is \$9.06 per \$1,000 of property value, or \$906 per \$100,000 of value. With a current mil rate of \$8.95, this represents an increase of 1.2% or \$11 per \$100,000 of value.

The Warrant Committee's recommendations are largely the same as those of the Board of Selectmen with the following exceptions.

- The Warrant Committee recommends \$2,700 less for Administration appropriations.
- The Warrant Committee recommends \$750 less for Highway appropriations.
- The Warrant Committee recommends \$400 less for Boards and Committees appropriations.
- The Warrant Committee recommends \$ 5,728 less for Community Services appropriations.

We strongly urge your participation at Town Meeting, beginning at 6:00 PM, Monday, May 3rd at the Pemetic School gymnasium. As large an attendance as possible is needed to insure that the Town's decision on each warrant article reflects broad input from its taxpayers.

2009/2010 Warrant Committee

Sandy Johnson-Chair, Will Ratcliff-Vice Chair, Susan Allen-Secretary, Bob Bosserman, Mary Anne Griffin, Michael Young, Debra Sanner, Melissa Berry

Planning Board

New Members:

In addition to existing members Ben C. Worcester, III (Chairman), Chris Rawls (Vice-Chair), and Robert Bosserman, the Board of Selectmen appointed Gordon Wissinger, Michael Magnani, Eric Davis and Ryan Donahue to serve on the Planning Board.

Applications:

The following applications reviewed by the Planning Board during 2009 have been approved: 1) An addition to a building by the Dawson's at 122 Clark Point Road after receiving a Consent Agreement from the Board of Selectmen; 2) approval of a 40 unit subdivision by Developer Jeff Crafts at Village at Oceans End; 3) Relocation of two transient dwelling units at Acadia Cottages on Main Street and conversion of two previous units into storage structures; 4) A four-season enclosure for Edward Elvidge on Clark Point Road; 5) Five transient dwelling units on the second level of McEachern-Hutchins building; 6) A 1400' driveway for G. B. Management Corp off Marshall Brook Road; 7) A transient cottage for Marc Chalfoun at the end of Forrest Avenue; 8) A replacement addition to residential structure for Roger Lawson on Shore Road; 9) Relocation of two greenhouses from Islandscaping on Seawall Road to parcel off Cobb Lane; 10) An addition to the Putnam-Meyers residential structure at 465 Main Street; 11) Islandscaping on Seawall Road for the reconfiguration of business structures and a parking plan to eliminate parking on Seawall Road; 12) An accessory dwelling unit and boat rental, sales and charter to be added to the commercial business activity at the Moorings Restaurant.

Ordinance Changes:

The following Land Use Ordinance changes have been reviewed and approved by the Planning Board for legislative approval at the Town Meeting: non-conforming structures in the Shoreland Zone may increase its volume or area by 30% laterally towards the side lot lines. This change as recommended will be in keeping with State DEP guidelines for construction in the Shoreland Zone; an amendment to the Driveway Ordinance requires a culvert be sized, if applicable, by the Public Works Director; soil and erosion standards to be in compliance with Maine Erosion & Sediment Control BMP's; a housekeeping procedure in the road standards; an allowance for transient dwelling units in Zone A to exceed six months; remove criteria requiring all applications in three Harbor Zones to be reviewed by the Planning Board; require all storm design and materials to conform with current State of Maine DOT; increase storm water design standards to include all projected impervious area in a subdivision.

The removal of multi unit development definition from the Land Use Ordinance as well as supporting changes to Zones B & C, and the changes to the multi family definition will be on the ballot at the June primary.

I would like to take this opportunity to thank the members of the SWH Planning Board and especially Donald LaGrange (Code Enforcement Officer) and Carol Walsh for all the time and effort they have provided to make this a productive year.

Respectfully Submitted,

Ben C. Worcester, III, Chairman

Comprehensive Plan Committee

A comprehensive plan expresses the residents' vision of how they want their town to be a decade or more in the future, and then suggests policies and recommendations for realizing that vision. Our Committee has recently drafted a vision statement that is on the Town's website, and we welcome your feedback. Does the statement express your vision for the Town? If so, how? If not, how might it be revised to do so?

We have spent this year accumulating the necessary factual information upon which our recommendations will be based. Our survey in August, sent to everyone with a Southwest Harbor postal address, showed that most people like our Town as it is and do not want to see major changes. (All the responses and a summary of the results are posted on the Town's web site.) The plan we are currently drafting and hope to bring to the voters next November will reflect those responses, and will suggest ways in which the town can act to keep its course steady. We plan a number of public forums on different topics reflected in our drafts during this spring and summer, and hope that many of you will participate in these discussions to formulate the plan. It is this plan that guides public officials in the crafting and administering of the Land Use and Subdivision ordinances. Having a certified plan places a town in a better position to receive much-needed matching grants for infrastructure maintenance and improvements (water, sewer, roads, etc.).

Collecting this information, drafting a plan, and informing the public of its content is, as the name suggests, a *comprehensive* undertaking. In most towns, this work is overseen by a professional planner and aided by a volunteer committee who solicits public input. Our Town is entirely reliant upon volunteers and your participation in creating the plan is vitally important! Our committee hopes to see you at public meetings, or, better yet, join us to help complete and refine the plan.

Respectfully Submitted,

Lydia Goetze, Acting Chair



Conservation Commission

The Southwest Harbor Conservation Commission currently has four voting members and three associate members. The Meetings are held on the second Wednesday of the month at 5 PM at the SWH Town Office. Several sub-committees report to the Conservation Commission including the Tree Warden, Beautification, Rhodes Park and Buffering. We welcome any volunteers to join the Commission or sub-committees. All residents are encouraged to attend our meetings or to bring any agenda items to our attention.

The Conservation Commission's role is to supervise the Town's public land as well as our tree program. We will be coordinating with the Comprehensive Planning Committee to assure that our natural habitat is preserved.

Tree Warden, Jeff Dutra, supervises tree inspections and coordinates the care of our stately trees along our roadways. He also coordinates the annual appeal. Mr. Dutra can be reached through the Town Office.

Associate member Ann Judd and her many volunteers work tirelessly to beautify our Town. We appreciate the many hours spent so we may all enjoy the Butterfly Garden and the Veteran's Park.

Thank you for your continuing support and assistance.

Respectfully Submitted,

Sidney Salvatore Chairman



Waste Prevention Committee

The Waste Prevention Committee works to create innovative programs that both protect our local environment and assist in lowering the Town's cost for solid waste.

The Committee has set five goals to accomplish over the next year and a half:

- 1. To increase the Town's recycling rate from 28% to 50%.
- 2. To operate a swap shop at the transfer station to reduce the amount and cost of incinerated waste and to provide local residents with inexpensive, useful household items and building materials.
- 3. To work toward a ban on polystyrene take-out containers which pose a serious threat to our local environment.
- 4. To promote residential and business composting.
- 5. To work to pass a pay-as-you-throw program for the Town.

During the past year the Committee has:

- 1. Sponsored the first "Southwest Harbor Recycles Week".
- 2. Conducted a Recycle Awareness Program at the transfer station.
- 3. Secured Board of Selectmen approval for a swap shop at the transfer station.
- 4. Surveyed local business involved in the hospitality industry and presented Certificates of Recognition to three local businesses for their exemplary efforts to reduce waste.
- 5. Worked with Pemetic School to ban the use of polystyrene food containers.
- 6. Actively begun work with other local Island towns to sponsor joint waste reduction programs.

Committee Members: Bonnie Burne, Susan Buell, Dianne Helprin, Sam Jacobson, Colton Sanborn, J. Erika Shriner (Chair) and Lee Worcester.



Shellfish Conservation Committee

This year the committee notes with sadness the passing of Edwin Reed, one of its very active members. Ed volunteered to join the committee for the second time as he had served the previous committee twenty years ago. He provided us with valuable history and insight. He also assisted in committee projects even when his terminal illness made it very difficult for him. We are very grateful for his contribution, and we will miss his wisdom and history as we try to manage this valuable town resource.

In 2009 the town soft-shell clam resource suffered from the 3 "Rs": **R**ain, **R**ed tide, and apparent **R**eproductive failure. Due to heavy rains and resulting bacterial runoff, our clam flats were closed for a total of 37 days this year. Widespread red tide also caused a summer closure of 38 days. Compounding the problem, digging at Fernald Cove was very difficult in mid-winter due to ice.

We did conduct two surveys at Fernald Point with Mrs. Burne's science classes – one in the spring and one in the fall. Both surveys disclosed healthy adult clam populations outside of Fernald Cove, but very few juvenile clams were found in either survey.

We also conducted the second year of a test of use of 3/8" polyethylene mesh to try to enhance clam spat-set in Fernald Cove. Five 15' X 30' nets were deployed in the spring at different locations than last year. One went missing, but the other four were removed in the fall and reproduction was surveyed inside and out. As we found last year, spat set was somewhat better in areas protected by the tents, but juvenile clam numbers were very low inside and out.

Both the surveys and the results of the tent project indicate that reproductive success of soft-shell clams has been very poor for the last two years. The Committee is considering several different hypotheses for this and will discuss whether there are testable potential ways to increase reproductive success, but widespread causes beyond our control may be at least partially to blame.

License sales decreased in 2009, probably due to the decreased potential for digging associated with flood and red tide closures. This year, 19 resident licenses were sold for \$20 each and two junior licenses were issued for free, resulting in income of \$380. Warden expenses were minimal because the Maine State DMR is responsible for enforcing closures. We spent no money, resulting in a surplus of \$380 which will be placed in a reserve account earmarked for shellfish management. Thus, \$2,614.19 will be available to supplement future licenses sales.

Once again the Shellfish Conservation Committee thanks the staff at the Town Office for their continued cheerful and capable assistance

For the committee (Clayton Strout, George Jellison, Jr., Andy Mays, Michael Mansolilli, William Carroll, and Jim Colquhoun):

Respectfully Submitted,

Jim Colquhoun, Chair

Acadia Disposal District

So far, FY-10 has been both productive and challenging for the directors of the ADD.

Board of Directors

In conformance with the interlocal agreements, the Board of Directors consists of one representative per member town. Each director has one vote regardless of the population of the town they represent. We encourage anyone with solid waste related questions or comments to contact their local director. They are:

Cranberry Isles: Cynthia Lief: cynthia@ubuntufund.org

Frenchboro: Bob Roxby: <u>rroxby@maine.edu</u>

Mount Desert: Tony Smith, Chairman: director@mtdesert.org
Southwest Harbor: Robin Bennett: rbennett@southwestharbor.org
Tremont: Elliott Spiker, Treasurer: espiker@islescape.net

Trenton: Peter Rees: <u>rees909@roadrunner.com</u>

Clerk: Ellen Brawley – Dedicated Resident, Town of Mount Desert

ADD-EMR, Inc. Contract Negotiations

The ADD successfully negotiated a new five-year solid waste contract with EMR, Inc. of Southwest Harbor. Negotiations began early in 2007 prior to the former contract's expiration date of June 30, 2007. To date, we have been operating under contract language contained in that contract, said language being included in the contract in the event negotiations were not completed by its expiration date.

As was discussed with the respective Boards of Selectmen in the Fall 2008, ADD directors were in agreement that we had a good overall contract but the costs for the services to be provided were too high. Based on our research at that time, we were of the opinion that the costs were 10 to 15-percent higher than they should be. After discussing the proposed contract with the Selectmen of the respective towns, and at the ADD's recommendation, the proposed contract was approved less the payment section and we were instructed to renegotiate the costs with EMR.

Renegotiations took longer than anticipated but we feel the effort was well worth the time, particularly regarding recycling. Our negotiations found us investigating the option of recycling solid waste with the City of Ellsworth. Ellsworth informally offered the ADD a very attractive proposal that is not only less costly than the proposed EMR contract but provides the opportunity to share in the revenues which, depending on the market, could be significant. Realizing it would take time for the ADD to review the Ellsworth option and present it to the Towns, the new contract allows the respective Towns to opt out of their recycling provision with EMR at any time until December 31, 2010. After that point in time, they are locked into the recycling provision of the contract through its expiration on June 30, 2014.

The prices in the contract are still higher than we feel they should be, the result of dealing with only one service provider. However, we recommended that the towns sign the contract and move forward with the ADD as we work on their behalf to investigate alternative solid waste management options.

Postponed Activities

Due to the time and effort associated with the EMR contract negotiations, we tabled our efforts related to the following items until the contract was finalized and addressed by all of the towns:

- Considering options associated with the 55-acre tract of land located in the village of Town Hill in the Town of Bar Harbor that 1986 federal legislation set aside for use by local towns for a solid waste transfer station. Development in the area likely rules out a facility but, we are investigating the release of the \$350,000 the federal government indicated they would provide towards the development of such a facility. If successful, these funds could be used to address other solid waste related issues.
- Investigating options to manage our solid waste identified in a 2006 options study conducted for us by CES. Some of the options identified for evaluation include:
 - Development of an ADD owned and operated full service solid waste facility.
 - Development of an ADD owned and operated limited service solid waste facility that would accept everything but MSW. MSW would be collected curbside and hauled directly to PERC.
 - Curbside collection of MSW transported directly to PERC. All other waste would be handled through e.g. EMR, Inc., an ADD recycling center, a one-day household hazardous waste and universal waste collection day, etc.
 - Working with the City of Ellsworth to use their solid waste facility in some manner.
 - Maintaining the status quo with the EMR transfer facility in Southwest Harbor, through extensions of current contracts, or possibly developing a new contract between ADD and EMR.

HHW & UW Collection Day

A very successful 2009 household hazardous waste and universal waste collection day was held in the parking lot at the Tremont town office on September 26, 2009; we were unable to get space at the MDIHS this year. Due to the location, as one would suppose, the number of participants from the Tremont – Southwest Harbor area increased with a corresponding decrease in participants from the rest of MDI and off-island. We estimate we collected approximately two-thirds of the volume we did last year which, based on

last year's collection day being a record setting single collection day for the two waste contractors, is very good.

Thank you's go to the six volunteers from the town of Mount Desert, two from Tremont and one from Bar Harbor who assisted with the event. We will be asking for volunteers again next year so please, consider relieving your neighbors and volunteering yourself.

We would also like to thank the three contractors we worked with – EPI, Uniwaste and Gott's Disposal, the latter donating the use of roll-off containers and the truck and driver to deliver and haul them off to EMR for disposal. Gott's did this at no cost to the ADD. EPI worked with us in the face of an improperly packaged load of HHW delivered to the site from a participating community. They showed us some of the do's and don'ts associated with packaging these materials.

Summary

In summary, the Board of Directors would like to encourage all residents and taxpayers in our member towns to become active in learning about solid waste issues. We particularly encourage our municipal officials and officers to do so. Our meetings are open to the general public and are usually held at 9:30 A.M. on the third Thursday of the month at the Somesville fire station.





Southwest Harbor / Tremont Nursing Service, Inc.

P.O. Box 437 • Southwest Harbor • Maine 04679 Phone (207) 244-3521

TWO CALLS!

Gary's Story

On December 15, 2008, at 6:22 pm, the Southwest Harbor Tremont Ambulance radio call went out, "Man down, CPR in progress at the paddle tennis courts on Kinfolk Lane!" The patient had collapsed, he was not breathing and his heart was not beating. His friends started CPR which was continued by Aaron Arsenault, the responding SWH police officer, and Mary Vose Martin, a nurse visiting her family living near the court.

Hearing the call, Jerry Walls, driver from Bernard; Susan Clarke, EMT from Tremont; Dave Robertson and Jessica St. Amand, EMT's from Bass Harbor; and Sonia Field, driver from Southwest Harbor immediately got into their vehicles and drove to Kinfolk Lane. The ambulance, driven by on-duty paramedic David Buccello, arrived at 6:29.

The ambulance crew took over CPR. Paramedic Buccello used a defibrillator to shock the patient's heart and placed a tube into his throat to help the team deliver oxygen. At 6:36 the monitor indicated the patient's heart was beating again! An intravenous line was placed, allowing necessary medications to be delivered. While responders continued to breathe for the patient, he was carried down to the waiting ambulance. At 6:56 the ambulance was on its way to MDI Hospital in Bar Harbor. After evaluation and treatment in the emergency department, the patient was transported by the SWH-T ambulance to Eastern Maine Medical Center in Bangor.

The team at EMMC credits the fast and appropriate response of friends, police and the Southwest Harbor Ambulance crew with saving Gary DuLong's life. "I am back playing sports, running, etc. Please pass on to your colleagues my deepest gratitude for saving my life. I have four grandchildren and a whole lot of living to do. I'm very happy to be able to live life to the full. Thank you, Gary."

Phil and Mary's Story

Like many of us, Phil Dow shoveled wet, heavy snow the morning of February 23rd, 2009. When he went to bed that night, he felt some discomfort which he hoped was indigestion. Soon Phil, with the help of his wife Mary, began to suspect his discomfort was not just indigestion so at 12:35 am Mary called 911. Two EMTs in SWH-Tremont's new Rescue 1 ambulance arrived at Phil and Mary's home in Bass Harbor at 12:50. David Robertson and Seth Nadler evaluated Phil and determined that his symptoms were cardiac. They called for a paramedic, began treating Phil with oxygen and medications, and started transport to the hospital. At 1:09 the ambulance left the house with Phil in the back on a heart monitor and Mary in front with driver Sonia Field.

Meanwhile, SWH-T paramedic Pat Buccello drove toward Southwest Harbor from her home on Norway Drive in Bar Harbor. She met the ambulance at Manset Corner and provided advanced care. Phil arrived safely at MDI Hospital where the staff continued the cardiac treatment which had begun in the ambulance. Later that day, the SWH-T ambulance transported Phil to Eastern Maine Medical Center.

Phil and Mary expressed their gratitude to the SWH-T Ambulance Service for its quick response and excellent care. "We are so lucky to have the ambulance". Phil has completed his physical therapy and cardiac rehab. He is feeling well, but according to Mary, "Will **NOT** be doing any more shoveling!"

Last spring it was necessary to purchase a much needed new ambulance for \$135,000! Through summer donations and a grant from the Steven and Tabatha King Foundation, we raised \$12,000 for a power stretcher. By enabling us to handle difficult patient moves without waiting for lift assistance, it has proven its value again and again. To everyone who made a contribution. THANK YOU! Call 911 or 244-7911. We will come. **Time is critical.** Don't hesitate! This is what we do **24/7.**

Respectfully Submitted,

Sonia Mills Field President and Ambulance Driver

Washington Hancock Community Agency

This year the Washington Hancock Community Agency (WHCA) provided assistance to 70 households in the Town of Southwest Harbor, as well as providing transportation in the amount of 841 rides.

Services provided to residents of Southwest Harbor include: The Heating and Warmth Fund (THAW) for 3 households; Keep Me Warm Fund for 1 household; LI HEAP (fuel assistance) to 56 households; PUC (Energy Conservation Program) for 6 households; Child & Adult Care Food Program for 2 families; Home Repair Network for 1 household, and Weatherization for 1 household. Our free transportation program provided 841 rides to Southwest Harbor citizens to doctors appointments, eye appointments and shopping needs.

The total cost this year of services to the Southwest Harbor citizens totaled \$72,763.53. WHCA 's request to the Town of Southwest Harbor is typically 2% of the funds expended for services provided. Thank you for your support of our organization.

Sincerely,

Patsy Smith SEED Coordinator

Southwest Harbor Public Library

I feel the library has become a bit famous. We have received recognition from all sorts of sources. We have rubbed elbows with Ken Burns, we have received a coveted grant from the National Endowment of the Arts, and we have earned a place on the "Top Ten" list from the State.

The Library owns an extensive collection of artistically and historically significant photographs, numbering more than 5,000. They were mostly taken between 1890 and 1958. Much of the collection consists of work done by photographers Henry Lathrop Rand, 1862 - 1945, Dr. George A. Neal, 1872 - 1939, and Willis H. Ballard, 1906 - 1980, plus Charles Townsend, Bryant Bradley and unknown photographers. The Library is also the repository of the Henry R. Hinckley Company photographs. Many of the photographs have appeared in books, museum exhibits, and film documentaries. The most recent public appearance was in the Ken Burns series, *National Parks – America's Best Idea*. Several of the Library's photographs were chosen. It is exciting to know we are part of such an outstanding project.

It has always been a dream of mine for the Southwest Harbor Public Library to participate in an island-wide community read where everyone, young and old, reads the same book at the same time. After looking over the National Endowment of the Arts grant application for The Big Read, I realized the Southwest Harbor Public Library could never come up with the matching funds the grant required. Jan Coates, Executive Director for Island Readers and Writers, called the next day and asked if the Library would consider partnering with IR&W, who graciously agreed to match the funds. We received the grant! The book we chose was *The Call of the Wild* by Jack London. We thought it would appeal to all ages, we felt it lent itself well to all types of activates and Jack London, through his second wife, had strong connections to our area. It is a wonderful thought that one book can bring us all together and allow us to share our love of reading.

Every year the Maine State Library publishes the Maine Public Library Statistics Annual Report. For the last eight years or so Southwest Harbor Public Library has made the "Top Ten" list. This year we made it, per capita, in three categories: #2 for interlibrary loans provided to other libraries, #3 for library visits, and #4 for total circulation. I have always said we are a community of readers!

The library continues to serve its community by keeping all of its library services free and available to everyone equally. Southwest Harbor Public Library's mission is to be the place where our communities come to explore new ideas and to pursue lifelong learning interests.

Respectfully Submitted,

Candy Emlen Director



Serving our community has been a fundamental value of Harbor House since its inception when a handful of concerned neighbors from Southwest Harbor and Tremont decided to work together to keep kids off the street and out of trouble after school hours. Neighbors helping neighbors, that is the core of Harbor House. And, that is the spirit that has kept it alive and well for nearly 45 years. Residents, neighbors and friends all for the love of their community, giving of their time, ideas, enthusiasm, and resources to keep the community together and vibrant, generation after generation. Can you imagine community life in Southwest Harbor without Harbor House?

Without Harbor House the community would lose valuable enriching programs such as the first licensed child care center on MDI, youth basketball, soccer, t-ball, tennis, summer sports camps and explorer camps, the free after-school "Underground", Health and Fitness, spinning classes, yoga as well as things that are just plain fun like Bon Appetit, Holiday Christmas celebration, Touch-a-Truck, Flamingo Festival, Westside Rides, and the Great Harbor House Shootout.

In addition this past year, Harbor House also succeeded in creating precedent setting collaborations such as the MDI Community Campfire Coalition, a heat and weatherization initiative to keep neighbors in need warm, the first MDI Community Book Read presented in association with the Southwest Harbor and Bass Harbor Libraries and Health and Fitness classes jointly marketed with Neighborhood House.

While all of these high quality programs and services come with built-in costs, Harbor House is committed to keeping our programs the most affordable on the island while providing the best quality that we can. We recognize that many of our friends and neighbors work hard and still struggle financially and we are stubborn and resolute in our commitment that no one ever be turned away from Harbor House. However, doing so is becoming a struggle between the realities of program costs and our desire to serve the community. Harbor House has to address "how to continue to make ends meet" in order to continue to serve our community effectively.

Youth Sports & Sports Camps

We passionately believe in offering our young sports enthusiasts the opportunity to keep up their practice and hone their skills in a safe, fun and affordable place close to home. Total attendance for all our sports programs this year reached 1,251; a significant jump of 230 more young athletes than last year.

The Town appropriation is vital to the integrity and consistency of the Youth Sports Program, however it only defrays 26% of the total annual expense for this program and Harbor House works hard to cover the rest. We are grateful for Town taxpayer support because, most importantly, it helps us keep the direct cost of sports registration fees to a minimal \$45.00.

The Underground

Last year the Underground had 18 regular visitors. That number has now grown to 40 regulars with a total of 5,979 visits this past year, and over 140 different visitors. Our main goal in 2010 is to 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 teens. The Underground is also proud to now serve as a facilitation site for Big Brothers and Big Sisters.

Our main goal in 2010 is simple and straightforward: to continue provide and improve these invaluable services for the residents of Southwest Harbor while keeping our costs as low as possible so no one is ever turned away from Harbor House.

Thank you to every resident of Southwest Harbor for your friendship, community involvement and support; it is what makes Harbor House so special.



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

~ Volunteer service since 1980 ~

December 11, 2009

To the residents of the Town of Southwest Harbor:

Thank you very much for your support for Hospice of Hancock County over the past year!

HOHC provides non-medical volunteer hospice support to residents of Hancock County and their families and are proud to be in our 30th year of service. Our services are delivered free of charge to those living at the end of life and their loved ones, and we do not receive any funding from state or federal entities. Our services are provided by a well-trained corps of volunteers (currently 107 Patient Care and 30 Bereavement) who give unselfishly in the compassionate care of their neighbors. The availability of independent volunteer hospice services is a partnership that depends on the financial support of the community. That is why we consider the residents of the towns which support us to be partners in this service.

In the past year, Hospice of Hancock County provided:

d Tucker

- Patient care support and comfort to 128 residents of Hancock County who were living at the end
 of life and their families, including 9 residents of Southwest Harbor;
- Over 4500 hours of patient care service, representing a value of over \$67,000;
- Over 1100 gestures of bereavement support through our Caring Hearts Bereavement Program; including services to 7 Southwest Harbor residents;
- Our Evensong hospice singers have continued offering the gift of harmony and peace to patients
 living at the end of life. This service has continued to grow over its second year, and the response
 from the community and those for whom we sing is so positive! Your support helps us to grow
 with the needs of the community.

Hospice of Hancock County is here for all our neighbors who are living at the end of life and their loved ones. Those whom we serve are extremely grateful for our support, as we are for yours.

Thank you again!

Sincerely,

Jody Wolford-Tucker

Executive Director

Hancock County Homecare & Hospice

Our patients, families and staff appreciate your annual steadfast support of Hancock County HomeCare. We are so grateful to live in an area where the community places value on caring for neighbors. We could not provide this service without the help of towns like yours. Thank you so very much.

Hancock County HomeCare – formerly Bar Harbor Public Health –made 17,697 patient visits last fiscal year. Nine hundred and Ninety (990) of these visits were in Southwest Harbor. Your friends and neighbors needed wound care, rehabilitation services, hospice care, pain management, intravenous therapy, and nutritional assessments. These services were provided by skilled nurses, certified home health aides, physical, occupational, and speech therapists, and medical social workers.

Our services are frequently what allow patients to recover from illness in their own homes, as opposed to a hospital or nursing home. For our hospice patients, this allows them to spend the last days of their life in comfort, at home with their families.

We are extremely grateful for your donation last year in the amount of \$1,890. It is donations such as this that allow us to provide skilled care regardless of ability to pay. Thank you all so much.

Sincerely,

Hancock County HomeCare & Hospice

2009 Island Explorer Report

During the 2009 season, Island Explorer carried 367,595 passengers, a slight decline from 2008. As a result, nearly 700 cars per day were removed from the road. Island Explorer is a partnership operated by Downeast Transportation, Inc. with municipalities contributing roughly 5% of the funding, rider and local donations 2%, LL Bean 17% and our federal and state partners 17%. The lion's share of Island Explorer funding comes from Acadia National Park which provides about 40% through park entry fees.

2009 Downeast Transportation Report

In 2009 Downeast Transportation operated a once weekly shuttle service in Southwest Harbor and Tremont. The shuttle ran four loops, beginning at 10:00 a.m. and continuing until 1:30 p.m. The shuttle served housing developments, grocery stores, medical facilities and village centers, allowing seniors and others without automobiles to tend to errands, receive medical treatment, and run vital errands. We look forward to continuing this service in 2010.

Chamber of Commerce

The history of the Chamber of Commerce goes back 50 years plus with its multiple types of service. It has always been a strong force in the community and as the years have passed it has continued this active role as it has faced growth and the changing economic times.

The new permanent Information Center is one of the finest in the State and the Chamber has developed a close relationship with many State agencies and programs which have had some major impact on the expansion of services and marketing the area. Since the tourist visitations are a major financial lifeblood of the 'Quietside' and MDI , the Chamber and it's programs and activities have proved vital.

The Chamber offer over fifty different services to its members and the westerly side of the Island. Included are: health insurance through the State Chamber, constant assistance in services and methods of operation, exposure to all the tourist information centers in Maine and promotions nationwide. Locally the Chamber provides a wide variety of such services as a community calendar on the web site, the purchase of Park Passes, music and art shows, a history of merchant promotions, the Citizen of the Year recognition, Christmas street decorations, year round street banners, fax, copy and wireless services and we often answer many questions that normally would be addressed to the Town Office.

The Chamber has taken a leadership role in many activities; the sponsor and manager of the Town's Centennial celebration, the sponsorship of the new Southwest Harbor Historical Society, a new intern training program with the Collage of the Atlantic, the present 'Greening of the Quietside' program and the outstanding and recognized 'Oktoberfest' celebration in October. The Chamber quietly supports several other local activities and projects such as, Island Connections, Acadia Senior College, the Food Pantry, the Red Cross and the MDI Regional Chamber at Thompson Island which will soon operate and manage the new MDI/Park Information Center in Trenton and in which our Chamber will be deeply involved.

The future of the Chamber will see all of these items continued and community support and involvement will be needed in these new and difficult economic times.

Bruce C. Carlson, Sr. Executive Director



Providing for the health, safety and well being of children and their families in Downeast Maine

WIC Report

Women, Infants and Children (WIC) is a federal nutrition program. Downeast Health Services holds the contract for 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 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 49 clients in 2009 from Southwest Harbor was \$38,220. There is no cost to the clients.

We provide outreach services in Southwest Harbor at the St. John's Episcopal Church. We are asking for the same amount of \$900. This is the amount of the original successful request.

The last petition was submitted in 2008.

Trudy Lunt LPN

Trudy

Local WIC Director

Downeast Health Services

52 Christian Ridge Road

Ellsworth, Me 04605

Eastern Area Agency on Aging

Eastern Area Agency on Aging, (EAAA) incorporated in 1973 and has been the best source of information, options and services for seniors and their families ever since.

For decades, EAAA has served the residents of eastern Maine living in Hancock, Washington, Penobscot and Piscataquis counties and is continually committed to providing quality services and programs to all of its clients. But that goal cannot be met without adequate funding.

We depend on the support of municipalities to help with the costs of serving their residents," said Noëll Merrill, Executive Director at Eastern Area Agency on Aging. "Southwest Harbor has shown appreciation of our efforts and we are grateful."

Last year, Eastern Area Agency on Aging provided services valued at \$7,430.01 to 27 seniors in Southwest Harbor. These services helped elderly citizens remain independent, feel financially secure, be well nourished, have access to health care and to make informed decisions on benefits, including Medicate part D, the prescription drug program.

The nutrition program of EAAA served 1,124 hot noontime meals valued at \$5,766.12 to eight homebound residents of Southwest Harbor who otherwise might not have had a nutritious meal. To qualify for Meals on Wheels, a senior must be unable to leave his or her home without assistance, be unable to prepare a meal and have no one available to assist in preparing his or her meal. Tea and toast would be the lunch for most of these homebound residents, were it not for the home delivery program. But the nutrition program of EAAA not only provided nutritious meals, it also linked Southwest Harbor seniors to supportive services.

EAAA also has a Community services consultant, Kim Childs, covering Hancock County. Kim worked wit 27 Southwest Harbor seniors last year, many of whom were also part of the nutrition program. She provided them with information and help in matters such as: MaineCare, Medicare and other insurances, Social Security, food stamps, low cost drug cards, tax and rent refund applications, housing, assisted living and home based care. These services are valued at \$1,663.89. The savings that the seniors experienced were the direct result of our staff's assistance.

"Many seniors have no idea what benefits are available to them," said Merrill. "Consequently, they don't apply and even those that do understand the benefits often need assistance with the forms. Hundreds of dollars can be saved each year. This year, those savings will be even more necessary for residents because of the rapidly increasing cost of food and prescription drugs and unstable energy expenses."

Most of the services provided by Eastern Area Agency on Aging are free of charge which is why outside funding is so vital.

The generosity of the Town of Southwest Harbor in funding Eastern Agency on Aging demonstrates a compassion for its elderly citizens.

Town of Southwest Harbor Housing Authority

The Town of Southwest Harbor Housing Authority provided housing for fifty (50) elderly and disabled families during 2009. All units are occupied and there is a waiting list of individuals desiring to become tenants.

Regionally, the MDI & Ellsworth Housing Authorities assisted three hundred and seventy-seven families with rent and utilities in an amount of \$2,074,293.00.

Payment in lieu of taxes for 2009 \$8,732.80

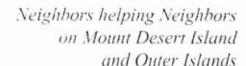
The Southwest Harbor Housing Authority is very appreciative of the support received from the Police Department, Fire Department, and the Public Works Department in helping us care for the senior members of our community.

The Board of Commissioners meets the third Wednesday of the month on a regular basis. The meetings are handicap accessible and the public is welcome to attend. It is a good idea to call the office at 288-4770 to confirm the place and time as it is subject to change. Our office is located at 80 Mount Desert Street in Bar Harbor, ME. The office is open from 8 a.m. to 4 p.m. We can be reached at 207-288-4770 or via e-mail terry.kelley@emdiha.org.

Respectfully Submitted,

Lee Worcester, Chairman Town of Southwest Harbor Housing Authority







December 4, 2009

Report to the people of Southwest Harbor on Island Connections services:

Island Connections provides free services to Elder and Disabled residents:

- A) Transportation: 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 5 days a week; rides to Straus Center, community centers (Harbor House, YMCA, libraries).
- B) Friend-to-Friend visits and Telephone CareCalls.
- C) Social Events: lunches, picnics, movies, bingo, school plays.

During the past 12 months, Island Connections provided 3150 appointment trips, 840 meal runs (approximately 8400 meals), organized and collaborated on events attended by 1500 people, conducted approximately 1200 telephone CareCalls and 840 Friend-to-Friend visits.

We thank the people of Southwest Harbor for your support.

Chris Keefe Executive Director Anne Heisey Board Member Southwest Harbor Anne Napier Board Member Southwest Harbor



Keeping neighbors warm this winter.

Town of Southwest Harbor

2010 Tax Appropriation Request

MDI Community Campfire Coalition

The MDI Community Campfire Coalition is a united group of non-profits, churches, towns and community and civic organizations that have come together to address the winter heating needs of our neighbors on Mount Desert Island. The Coalition's goal is to provide heating and weatherization assistance, education and a helpline for those that may struggle to stay warm through the harsh winter months. Harbor House Community Service Center, as lead agency, has provided programming, services and fellowship to the "Quietside" of Mount Desert Island for 45 years. On behalf of the MDI Community Campfire Coalition, we ask the Town of Southwest Harbor for its support in the amount of \$2,500 to aid us in providing fuel assistance for the residents of Southwest Harbor, Maine next winter.

History Background

In 2008 as fuel prices sky rocketed, many people across the state began to worry about how Mainers were going to stay warm. The Harbor House Community Service Center had the same concerns and set out to find a solution by spearheading a meeting of other nonprofits, churches, civic and social service organizations to come up with an action-oriented plan. Maine Sea Coast Mission, as the fiduciary agent, qualifies applicants and sends acknowledgements for donations. Neighborhood House, as phone information help-line, accepts phone calls for information and provides educational resources and Harbor House, as the Coalition's central hub, coordinates communications, organizes the awareness/application campaign, facilitates meetings and guides this collaborative Island-wide initiative. Additional support from many churches and civic organizations is offered printing flyers, fundraising and volunteering their time to make sure our neighbors stay warm.

Many of our friends and neighbors on Mount Desert Island rely on seasonal work, such as fishing and tourism, to make ends meet. The fishing industry has been hard-hit by plummeting prices and recently, many layoffs have occurred in economically hard-hit industries. Our Campfire Coalition partners at the two Island food pantries have seen a steady increase in need over the past year. All of which indicates an even greater need and potential demand for the Campfire Coalition's help.

All team members are charged with raising funds. The Lions and Rotary have contributed, Harbor House and Neighborhood House have participated in joint fundraising activities, many individuals in the community and local towns with discretionary funds have contributed to this initiative. Last winter the Town of Southwest Harbor was able to contribute \$5,000 restricted for the residents of Southwest Harbor. Free advertisements on local radio stations and in newspapers, as well as a listing with Maine211 heighten awareness. All costs associated with this initiative are being absorbed by participating Campfire Coalition members. One hundred percent of all funds raised go directly to heating assistance or weatherization with no administrative costs charged by any of the participants.

Results

Ours is a true island-wide effort which helped a total of 47 families last winter: 16 from Southwest Harbor, 14 from Bar Harbor, 9 from Mount Desert and 8 from Tremont. This season we have already received 43 applications which speaks to the greater need. Each applicant who qualifies will receive 100 gallons of fuel or equivalent in electric, wood or propane. Applicants will complete an application process and show proof of income. Income guidelines are set on a sliding scale 15% higher than LIHEAP requirements, with limits of \$26,000 per individual or \$42,700 for a family of four +. This ensures that no one is left in the cold.

Fifty-one percent of last year's applicants qualified for assistance through LIHEAP and 45% percent of applicants were 15% higher than government guidelines but qualified through our sliding fee scale. So our goal "to fill the gap" worked! This fall the Coalition started a pilot weatherization program for those that qualified for assistance last winter. Five homes received an energy audit and winterization for the 2009/2010 winter season and Webber Oil has donated 15 free furnace cleanings which will save 12-15% in energy usage for families in need.

With winter in full swing and economic needs continuing to swell it is important to plan ahead to make sure our neighbors and friends are safe and cared for next season. We ask the Town of Southwest Harbor to assist us with \$2,500 to ensure that the Coalition will once again be able to respond to those in need next winter.

Town of Southwest Harbor Taxes Due for FY 2008-2009 As of February 1, 2010

Name	Aı	mount Due
Black, Frederick	\$	2,061.03
Bracy, Barbara	\$	2,727.52
Butler, Carl E., JR.	\$	1,143.68
Butler, Carl E., JR.	\$	968.64
Butler, Carl E., JR.	\$	955.53
Clements, Shawn P. & Beth Gronos	\$	856.81
Dunbar, Susan	\$	1,724.91
Forbes, Peter	\$	13,501.63
Gilley, Jack H. & Debra J.	\$	2,562.64
Goodwin, John W., JR. & Korey J.	\$	1,725.84
Goodwin, Korey J.	\$	1,652.83
Hamilton, Shawn W.	\$	1,410.38
Hulbert, Thomas	\$	77.39
Kelley, Nahum & Melissa	\$	345.06
Lapierre, Pat F. & Michael Levesque	\$	1,451.57
Lawson, Tina Louise	\$	2,000.19
Levesque, Michael D.	\$	2,043.25
Lyle, Dorrie A. & Danny S. Jacobs	\$	2,184.59
Lyman, Steven J. & Molly H.	\$	2,698.42
Mayhew, John E., JR. & Francine F.	\$	3,844.17
Mcenroe, Michael E. & Dencie T.	\$	1,643.92
Middleton, Shawna T.	\$	2,726.43
Reed, Ronda L.	\$	1,556.49
Seawall Holdings, LLC	\$	15.49
Smith, Mark M. & Peggy S.	\$	2,063.04
Stanley, Edward W. & Constance L.	\$	1,703.45
Tainter, Travis c/o Karen M. Kelley	\$	3,018.56
Thomas, Jeffrey S. & Doris L.	\$	753.26
Thomas, Timothy J.	\$	3,985.60
Tracey, Christopher P.	\$	1,448.76
Twigg, Eric W.	\$	830.32
Twigg, Eric W. & Darryl & Sean Twigg	\$	889.25
Wellington, Leslie Anne	\$	3,947.22
Wilson, Michael	\$	1,844.80

Total for 34 Accounts: \$ 72,362.67

Town of Southwest Harbor Taxes Due for FY 2007-2008 As of February 1, 2010

Name		An	ount Due
Black, Frederick		\$	1,914.97
Bracy, Barbara		\$	2,529.57
Hamilton, Shawn W.		\$	1,306.62
Lyle, Dorrie A. & Danny S. Jacobs		\$	732.20
Thomas, Jeffrey S. & Doris L.		\$	720.27
Wilson, Michael		\$	1,721.10
7	Fotal for 6 Accounts:	\$	8,924.73

Town of Southwest Harbor Taxes Due for FY 2006-2007 As of February 1, 2010

Name		An	nount Due
Black, Frederick		\$	375.24
Bracy, Barbara		\$	2,280.24
Lear, Todd B.		\$	116.56
Thomas, Jeffrey S. & Doris L.		\$	676.53
Wilson, Michael		\$	1,413.27
	Total for 5 Accounts:	\$	4,861.84

Town of Southwest Harbor Personal Property Taxes Due for FY 2008-2009 As of February 1, 2010

Name		Amo	ount Due
Preferred Capital, Inc.		\$	30.45
Scientific Games, Inc.		\$	26.10
	Total for 2 Accounts:	\$	56.55

Town of Southwest Harbor Water/Sewer Unpaid Balances As of February 1, 2010

Name	W	ater Due	Se	wer Due
308 Maine Development Association	\$	62.70	\$	88.01
Ann Kidder	\$		\$	250.49
Arthur Moody	\$	49.00	\$	60.93
Barbara Bracy	\$	49.00	\$ 7	7,896.79
Ben & Matt Ketchen	\$	49.00	\$	60.93
Charles Watson	\$		\$	135.40
Christopher Hutchins	\$	214.20	\$	
Cuthbert Train	\$	49.00	\$	60.93
David Travis	\$		\$	60.93
Douglas Towne	\$	49.00	\$	60.93
Edward Higgins	\$	49.00	\$	61.26
Edward Higgins	\$	49.00	\$	61.26
Elizabeth Crossman	\$	85.68	\$ 6	5,615.77
Faye Masterson	\$		\$	121.86
Gary Buzzell	\$	49.00	\$	
Glenn Gilley	\$		\$	183.10
Glenn Gilley	\$		\$	224.49
Heath Higgins	\$	92.68	\$	135.40
Ingrid Kachmar	\$		\$	277.57
James Craig	\$	49.00	\$	60.93
Jennifer Higgins	\$		\$	121.86
Johanna M. Kelleher	\$		\$	128.93
John Dittmar	\$		\$	108.32
Joseph Zawacki	\$	66.85	\$	94.78
Katherine Evans	\$	49.00	\$	
Kirk and Erin Ritter	\$	56.12	\$	
Laurence Stettner	\$		\$	60.00
Lee Wilbur	\$	106.12	\$	
Lee Worcester	\$	49.00	\$	
Manuel Young, III	\$	49.00	\$	60.93
Marc Chalfoun	\$	231.07	\$	406.20
Marc Chalfoun	\$		\$	61.14
Marjorie Monteleon	\$		\$	142.17
Marsh, Inc.	\$	202.51	\$	352.04
Mia Brown	\$	49.00	\$	60.93
Michael Berzinis	\$	73.95	\$	
Nahum Kelley	\$			3,972.02
Pamela Genga	\$		\$	74.47

Town of Southwest Harbor Water/Sewer Unpaid Balances As of February 1, 2010

Name	Water Due	Sewer Due
Patricia Murphy	\$ 49.00	\$ 61.08
Paula Michaud	\$	\$ 83.38
Peggy Lewis	\$	\$ 97.40
Peter Stoneham	\$ 196.00 \$	\$
Richard Griffin		\$ 121.86
Robert Sawyer	\$ 52.57 \$ 49.00 \$	\$ 916.04
Robert Voke	\$ 49.00	\$
Ronda L. Damon	\$	\$ 121.86
Sandra Johnson	\$	\$ 308.23
Scott Phelps	\$ 49.00 \$ \$ \$ \$ 332.08 \$ \$ \$	\$ 60.93
Sharon Gilley	\$	\$ 575.45
Sharon Gilley	\$	\$ 60.93
Sharon Gilley	\$	\$ 135.41
Shawn Hamilton	\$ 332.08	\$ 298.12
Shirley Willey	\$	\$ 60.93
Shirley Willey	\$	\$ 60.93
Shirley Willey	\$ 6.54	\$ 135.40
SIPS Restaurant	\$ \$ 56.14	\$ 751.47
Steven Lyman		\$ 135.40
Susan Dunbar	\$ 68.97	\$ 600.23
Susan Dunbar	\$ 49.00	\$ 1,208.12
Susan Farley-Young	\$ 49.00	\$
Theodore H. Welton	\$	\$ 475.61
Tim Thomas	\$ 709.87	\$ 1,242.99
Travis Tainter	\$ 49.00	\$
Verizon/Fairpoint	\$ 51.45	\$ 60.93
Wanda Moran	\$	\$ 295.10
Wendell Gilley Museum	\$ \$ 59.71 \$	\$ 81.24
Wilma Roberta Levesque	\$	\$ 1,331.97
Michael Wilson	\$	\$ 878.46

Total for 70 Accounts: \$ 3,656.21 \$ 32,219.94

Grand Total: \$ 35,876.15

Town of Southwest Harbor Proposed Budget FY 10-11

	FY 08-09	FY 09-10	Proposed FY 10-11	Difference	Percentage Difference	BOS	Warrant
Income:	730,840	699,890	699,240	-650	%0	699,240	699,240
Expense: Administration	361375	355,575	362 040	6.465	2%	362 040	359.340
Assessor/Planning/CEO	143,225	147,320	148,895	1,575	1%	148,895	148,095
Police	406,090	429,940	428,660	-1,280	%0	428,660	428,660
Dispatch	229,550	236,885	246,955	10,070	4%	246,955	246,955
Highway	278,270	299,915	309,160	9,245	3%	309,160	308,410
Fire	76,420	72,340	72,340	0	%0	72,340	72,340
Harbor	97,445	94,460	94,680	220	%0	94,680	94,680
Municipal Office	33,265	28,075	28,075	0	%0	28,075	28,075
General Assistance	5,000	5,000	5,000	0	%0	5,000	5,000
Boards & Committees	7,500	8,575	12,075	3,500	41%	12,075	11,675
Contracted Services	632,110	653,770	686,710	32,940	2%	686,710	686,710
Insurance	32,935	34,755	32,935	-1,820	-2%	32,935	32,935
Debt Service	132,750	221,050	212,150	-8,900	4%	212,150	212,150
Community Services	173,750	165,110	165,110	0	%0	170,995	165,267
Total:	2,609,685	2,752,770	2,804,785	52,015	2%	2,810,670	2,800,292
Capital Improvement Plan	486,330	416,300	441,090	24,790	%9	428,800	428,800
Total Municipal Budget	3,096,015	3,169,070	3,245,875	76,805	2.4%	3,239,470	3,229,092
						2.2%	1.9%
		ESTIM	ESTIMATED MIL RATE	SATE			
					BOS	Warrant	
	County Appropriation	propriation			289,875	289,875	
	Municipal A	Municipal Appropriation	_		3,239,470	3,229,092	
	Pemetic School	chool			2,954,127	2,954,127	
	MDIHS				1,232,862	1,232,862	
	Total Appl	Total Appropriations			7,716,334	7,705,956	
	Total Revenue	enne			699,240	699,240	
	Net to be Raised	Raised			7,017,094	7,006,716	
	Total Value Base	e Base			773,791,030	773,791,030	
	Estimated Mil Rate	MIII Kate			\$9.07	\$9.06	

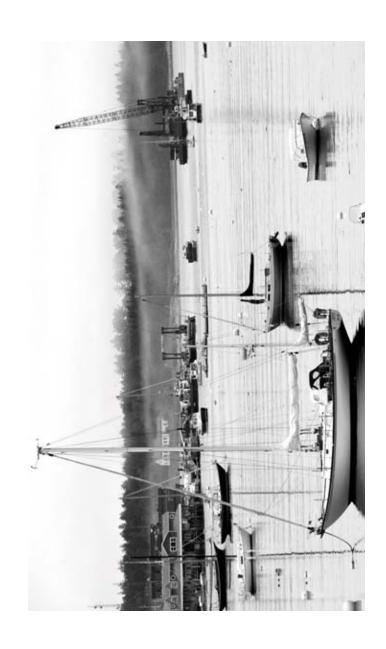
Note: Detailed budgets are available at the Town Office and at www.southwestharbor.org

Town of Southwest Harbor Proposed Capital Improvement Plan FY 10-11

Department	FY 09-10	FY 10-11	Difference	BOS	Warrant
Administration	41,650	28,350	-32%	28,350	28,350
Municipal Building	25,000	25,000	0%	25,000	25,000
Police	21,275	20,490	-4%	20,490	20,490
Dispatch	6,500	3,000	-54%	3,000	3,000
Fire	52,425	49,425	-6%	49,425	49,425
Harbor	55,540	80,280	45%	67,990	67,990
Highway	213,910	234,545	10%	234,545	234,545
Total:	416,300	441,090	6%	428,800	428,800



os	SOUTHWEST HARBOR SCHOOL DEPARTMENT	SCHOOL DE	PARTMENT				3/24/2010
	60-80	09-10	09-10	10-11			School Committee Approved
	Actual	Current	Anticipated	Proposed	\$	%	
	Receipts	Budget	Receipts	Budget	Difference	Difference	Explanation
0000-0000-450000 Carryover	225,732.26	160,852	195,383	61,291	(99,561)	-61.90%	
0000-0000-419908 Miscellaneous	897.25	1	1	1	1	#DIV/0i	
0000-0000-445850 Medicaid Reimb.	20,864.93	1	1	1	1	#DIN/0i	
0000-0000-448100 P.L. 874	12,348.44	5,000	7,500	2,000	1	%00.0	Estimate
0000-0000-412110 Town Appropriation	2,505,854.00	2,504,256	2,504,256	2,531,437	27,181	1.09%	Appropr. Incr. w/o Debt Svc.
0000-0000-412120 Debt Service Appropr.	450,638.00	437,056	437,056	422,690	(14,366)	-3.29%	
0000-0000-413110 Tuition	3,500.00	4,000	2,000	4,000	1	%00.0	
0000-0000-452000 Transfers from Reserves	101,872.84	1	1	1	1	#DIN/0i	
0000-0000-431110 State Subsidy	153,028.99	153,029	116,000	129,000	(24,029)	-15.70%	Without Curtailment
Total Revenues	3,474,736.71	3,264,193	3,265,195	3,153,418	(110,775)	-3.39%	
							Difference per \$100,000 valuation
	Total Town Appropriation w Debt Service =	riation w Debt	Service =		12,815	0.44%	\$1.66



	SOU	THWEST HARI	SOUTHWEST HARBOR SCHOOL DEPARTMENT	DEPARTME	누		
	60-80	09-10	09-10	10-11			
	Actual	Current	Anticipated	Proposed	\$	%	
Regular Instruction	Expend.	Budget	Expend.	Budget	Difference	Difference	Explanation
Regular Instruction							
1100-1000-510100 Teacher's Salaries: 3-8	618,374.59	606,489	612,983	586,297	(20,192)	-3.33%	12.7 to 11.7 tchrs & contract incr
1100-1000-510200 Ed. Tech. Salaries	58,843.37	60,664	62,285	63,746	3,082	2.08%	3.3 Regular Ed ed techs
1100-1000-512300 Substitutes	19,685.00	21,000	20,000	21,000	1	%00.0	\$75/day and \$165/day long-term
1100-1000-520100 Medicare - Tchrs. 3-8	6,628.46	7,300	7,050	6,783	(217)	%80'L-	
1100-1000-520200 Medicare - Ed. Techs.	798.27	088	806	925	45	5.11%	
1100-1000-520000 Medicare - Subs	633.17	009	750	800	200	33.33%	
1100-1000-521100 BC/BS: Tchrs. 3-8	133,237.01	135,900	123,545	110,935	(24,965)	-18.37%	2% increase & changes in plans
1100-1000-521200 BC/BS: Ed. Techs.	17,473.56	19,535	17,624	17,976	(1,559)	-7.98%	2% increase
1100-1000-525100 Tuition Reimb - Taxable	13,566.61	1	1	1	1	#DIV/0i	
1100-1000-525101 Tuition Reimb - Non-Taxable	7,284.98	6,500	13,000	13,000	6,500	100.00%	closer to actual
1100-1000-526300 Unemployment	2,743.61	1,500	2,500	1,500	1	%00.0	
1100-1000-527100 Worker's Comp. Insurance	16,481.47	17,000	16,500	17,000	1	%00.0	
1100-1000-534000 Prof. Svcs.: Counsel/ESL	6,224.00	0000'9	000'9	6,000	1	%00.0	Outside Counseling Reg. Ed.
1100-1000-532000 Special Academic Programs	3,078.30	2,000	2,000	5,000	1	%00.0	
1100-1000-558000 Staff Travel	2,867.05	2,000	2,300	2,500	200	25.00%	includes mileage, lodging & food
1100-1000-561000 Teaching Supplies 3-8	15,939.91	15,900	10,000	15,300	(009)	-3.77%	\$600/teacher & Lam & Copy Paper
1100-1000-564000 Textbooks/Workbooks 3-8	9,941.57	11,000	7,000	5,000	(0000)	-54.55%	Special Requests
1100-1000-564300 Periodicals	534.58	1,225	1,000	750	(475)	-38.78%	Specific Requests
1100-1000-573000 Replace/Purch of Equip.	3,135.47	000'9	4,000	2,700	(300)	~2.00%	Specific Requests
1100-1000-581000 Dues, Fees, Conf. 3-8	2,330.30	3,400	2,500	3,300	(100)	-2.94%	\$200/conference (U98 formula)
1100-1000-590000 Safety Factor Contingency	•	20,000	20,000	20,000	1	%00'0	
1120-1000-510100 Teacher's Salaries: K-2	134,118.00	154,028	154,028	156,744	2,716	1.76%	3 teachers: contract increase
1120-1000-520100 Medicare - Tchrs. K-2	1,899.06	2,234	2,234	2,273	39	1.75%	
1120-1000-521100 BC/BS: Tchrs. K-2	22,604.54	26,757	20,175	20,579	(6,178)	-23.09%	2% rate increase
1120-1000-561000 Teaching Supplies K-2	2,005.01	1,800	1,850	1,800	-	0.00%	\$600/teacher
1120-1000-564000 Textbooks/Workbooks K-2	2,941.85	2,500	2,000	1,200	(1,300)	-52.00%	
1120-1000-573000 Replace/Purch of Equip.	284.45	1	200	1	1	#DIV/0i	
1120-1000-581000 Dues, Fees, Conf. K-2	200.00	009	009	009	1	%00.0	\$200/conference (U98 formula)
Total Regular Instruction	1,103,854.19	1,135,812	1,116,027	1,086,708	(49,104)	-4.32%	

ILNOS	SOUTHWEST HARBOR SCHOOL DEPARTMENT	R SCHOOL DE	PARTMENT				
	60-80	09-10	09-10	10-11			
	Actual	Current	Anticipated	Proposed	\$	%	
Special Education	Expend.	Budget	Expend.	Budget	Difference	Difference	Explanation
Special Education				!			
2200-1000-510100 Res. Rm Tchr. Salaries	104,217.41	107,640	85,272	87,340	(20,300)	-18.86%	
2200-1000-510200 Hes. Hm Ed. I ech. Sal.	97,571.38	108,816	118,015	125,395	16,5/9	15.24%	8 Special Ed ed techs
2200-1000-520100 Benefits - Teachers - Res Rm	1,449.54	1,600	1,236	1,266	(334)	-20.88%	
2200-1000-520200 Benefits - Ed. Tech.	2,175.87	1,578	1,712	1,818	240	15.21%	
2200-1000-521100 BC/BS: Tchr Res. Rm.	30,958.21	29,118	19,078	19,460	(9,658)	-33.17%	2% incr., changes in staff/plans
2200-1000-521200 BC/BS: Ed. Techs.	48,258.28	58,064	62,379	68,921	10,857	18.70%	2% incr., changes in staff/plans
2200-1000-543000 Repair & Maint Equipment	1	750	750	750	1	%00.0	
2200-1000-556000 Tuition: Spec. Ed.	1	1	1	1	1	#DIV/0i	
2200-1000-558000 Staff Travel	393.79	625	300	1,200	275	92.00%	take fr dues/conf line:lodging/gas
2200-1000-561000 Res. Rm Teach. Supplies	3,939.47	2,400	2,000	1,200	(1,200)	%00.09-	specific requests
2200-1000-561001 Testing Supplies	1	200	250	009	100	20.00%	specific requests
2200-1000-564000 Textbooks	230.66	2,000	1,000	009	(1,400)	%00.02-	
2200-1000-565000 Software	-	250	250	1	(250)	-100.00%	requested for specific program
2200-1000-573000 Replace/Purchase of Equip.	4,388.19	4,500	3,000	1,000	(3,500)	-77.78%	specific requests
2200-1000-581000 Dues, Fees, Conference	305.00	1,000	200	2,000	1,000	100.00%	\$200/conference (U98) formula
2500-2330-581200 Dues & Fees - Medicaid Bill	1,806.89	1,200	1,200	1,200	ı	0.00%	
	20,864.93	1	1	1	ı	#DIN/0i	
2800-2140-534400 Prof.Svcs:Therap/Coun	16,391.27	20,000	18,000	20,000	ı	0.00%	Counseling, Testing, Etc.
2800-2150-510100 Teacher Salary: Speech	34,587.00	35,398	35,398	35,999	601	1.70%	.6 Teacher with contract increase
2800-2150-520100 Medicare - Speech	1.00	1	1	1	ı	#DIN/0i	
2800-2150-521100 BC/BS: Speech	7,288.34	8,017	7,288	7,434	(583)	-7.27%	2% increase
2800-2150-534400 Other Prof Svcs.:Speech	1,624.00	1	2,300	2,300	2,300	#DIN/0i	
2800-2150-561000 Speech - Supplies	350.84	009	400	009	1	0.00%	
2800-2150-561001 Speech - Testing Supplies	359.80	400	200	200	100	25.00%	
2800-2150-573000 Speech - Equipment	48.45	1,250	650	1,000	(250)	-20.00%	
2800-2150-581000 Speech - Dues/Fees/Conf.	168.00	100	100	100	1	%00.0	
2800-2160-534400 Other Prof Svcs.: OT	21,458.50	14,000	18,000	20,000	0000'9	42.86%	ő
2800-2170-510100 Salary: Interpreter	51,611.37	52,386	52,386	1	(52,386)	-100.00%	Services no longer needed
2800-2170-520100 Medicare - Interpreter	725.71	260	260	1	(200)	-100.00%	
2800-2170-521100 BC/BS - Interpreter	4,491.40	5,929	5,390	1 ((5,929)	-100.00%	- -
2800-2180-534400 Other Prof. Svcs.: PI	15,435.00	10,000	000,61	15,/00	2,700	27.00%	Physical I herapy: increased need
2810-1000-510100 Summer Schl: Tchr.	2,847.25	4,000	4,800	4,800	800	20.00%	special programs: increased need
2810-1000-520100 Summer Scnl: Benefits	70.84	1	0/	0/	0/	#DIV/0:	
2900-1000-510100 Teacher Salary: G & T	7,137.00	9,409	11,111	11,391	1,982	21.06%	20% Teacher plus 10 days
2900-1000-520100 Medicare - G & T	103.48	137	161	165	28	20.44%	
2900-1000-521100 BC/BS: G & T	•	1	1	1	ı	#DIN/0i	
2900-1000-561000 Teaching Supplies - G & T	502.17	100	100	300	200	200.00%	
2900-1000-564000 Books&Periodicals- G&T		300	100	300	1	%00.0	
2900-1000-581000 G & T: Dues/Fees/Conf.	198.00	100	100	200	100	100.00%	
Total Special Education	482,415.04	482,927	472,256	433,609	(49,318)	-10.21%	

		60-80	09-10	09-10	10-11			
		Actual	Current	Anticipated	Proposed	↔	%	
Other Instruction		Expend.	Budget	Expend.	Budget	Difference	Difference	Explanation
	Co-Curricular							
9100-1000-515000 Co-Curric.: Stipends	-Curric.: Stipends	37,066.60	25,303	26,000	26,000	269	2.75%	
9100-1000-520000 Co-Curric.: Benefits	-Curric.: Benefits	484.97	367	1,800	1,800	1,433	390.46%	
9100-1000-534000 Co	9100-1000-534000 Co-Curric.: Fine Arts Perform	760.89	3,200	3,200	3,200	1	%00.0	drama/performances/show choir
9100-1000-560000 Co-Curric.: Gen. Supplies	-Curric.: Gen. Supplies	2,413.86	300	300	300	1	%00'0	
9100-1000-564000 Co-Curric.: Books	-Curric.: Books		1,000	1,000	1,000	1	0.00%	
9100-1000-560500 Co-Curric.: Equipment	-Curric.: Equipment	5,091.78	3,000	2,000	1,900	(1,100)	-36.67%	music equipment
9100-1000-581000 Co	9100-1000-581000 Co-Curric.:Dues and Fees	375.00					#DIV/0i	
9100-2700-551000 Co	9100-2700-551000 Co-Curric.: Transportation		1	1	1	1	#DIV/0i	
9200-1000-515000 Athletic: Stipends	lletic: Stipends	22,458.90	30,840	31,000	31,000	160	0.52%	
9200-1000-515001 Ath	9200-1000-515001 Athletic: Stipends - Officials	3,705.00	3,500	3,500	3,500	1	%00'0	
9200-1000-520000 Ath	9200-1000-520000 Athletic: Benefits - Stipends	554.15	1,500	1	1	(1,500)	-100.00%	
9200-1000-534000 Athletic: Other Prof Svcs	lletic: Other Prof Svcs	200.00	1	1	1	ı	#DIV/0i	
9200-1000-560000 Athletic: Supplies	letic: Supplies	171.76	1	1	1	1	#DIV/0i	
9200-1000-564000 Athletic: Books	lletic: Books	ı	1	1	1	ı	#DIV/0i	
9200-1000-560500 Athletic: Equipment	lletic: Equipment	1,670.37	1,500	1,500	1,500	1	%00'0	uniforms
9200-1000-581000 Athletic: Dues/Fees/Conf.	lletic: Dues/Fees/Conf.	500.75	200	260	200	1	%00'0	sports conference
9200-2700-551000 Athletic: Transportation	lletic: Transportation	ı	-	-	1	1	i0/AIQ#	
	Total Co-Curricular	75,454.03	70,710	70,560	70,400	(310)	-0.44%	
Other Instruction								
	Summer School							
4300-1000-510100 Sur	Summer Schl./Learning Labs	9,556.71	5,500	9,200	9,500	4,000	72.73%	Before/After school homework help
4300-1000-520100 Benefits - Summ Schl/LL	nefits - Summ Schl/LL	127.64	80	51	138	58	72.50%	
	Total Summer School	9,684.35	5,580	9,251	9,638	4,058	72.72%	
Student & Staff Support	port							
	Guidance							
0000-2120-510100 Sal	0000-2120-510100 Salaries: Guidance Counsel.	49,336.00	50,686	50,686	51,968	1,282	2.53%	
0000-2120-520100 Medicare	dicare	627.29	735	735	754	19	2.59%	
0000-2120-521100 Blue Cross/Blue Shield	e Cross/Blue Shield	14,784.84	16,264	14,785	15,081	(1,183)	-7.27%	
0000-2120-532000 Prof. Svcs.	of. Svcs.	200.00	1	1	1	1	#DIV/0i	
0000-2120-558000 Staff Travel	Iff Travel	16.80	125	125	125	1	0.00%	
0000-2120-561000 Supplies	oplies	702.26	009	400	009	1	%00.0	includes Civil Rights materials
0000-2120-564000 Books	oks	225.08	200	100	200	-	0.00%	
0000-2120-564300 Periodicals	riodicals	119.57	200	100	200	1	0.00%	
0000-2120-581000 Du	0000-2120-581000 Dues / Fees / Conferences	202.00	200	200	200	ı	%00.0	
	Total Guidance	66,264.14	69,010	67,131	69,128	118	0.17%	

	HIDOS	INVESTINAN	WEST HARBOR SCHOOL DEPARTMENT	DEPAR I ME	=		
	60-80	09-10	09-10	10-11			
	Actual	Current	Anticipated	Proposed	€	%	
Student & Staff Support	Expend.	Budget	Expend.	Budget	Difference	Difference	Explanation
Health Services							
0000-2130-534000 Physician & Physicals	42,858.00	43,930	43,930	48,377	4,447	10.12%	contractual agreement w/hospital
0000-2130-543000 Contr. Svcs.:Equip. Repair	•	1	1	1	ı	#DIV/0!	
0000-2130-560000 Supplies	1,563.77	1,500	1,500	1,500	ı	%00'0	
0000-2130-564000 Books	88.00	100	1	100	ı	%00.0	Medical References
0000-2130-564300 Periodicals		06	200	06	1	%00.0	
0000-2130-573000 Replace/Purch. Equipment	221.10	100	100	100	ı	%00'0	
0000-2130-581000 Dues / Fees / Conferences	24.00	325	325	325	1	0.00%	includes travel
Total Health Services	44,754.87	46,045	46,055	50,492	4,447	%99'6	
						#DIV/0i	
Improvement of Instruction						#DIN/0i	
0000-2210-510100 Instructional Grants	3,927.50	5,250	3,500	5,250	ı	%00.0	\$333/teacher for summer work
0000-2210-515000 Stipends - Cert Com/Mentors	3,259.15	2,000	3,500	4,982	2,982	149.10%	\$2000/mentor approximately
0000-2210-520000 Benefits: Stipends	40.56	ı	51	99	9	#DIN/0i	
0000-2210-520100 Benefits: Teachers	26.79	ı	51	9/	92	#DIN/0i	
0000-2210-533001 U98 Workshops/Speakers	644.10	200	200	200	1	%00'0	
0000-2210-533003 Local W.S./Speakers	335.72	1,500	200	200	(1,000)	-66.67%	Used for books and after schl work
0000-2210-533002 Reading Recovery Cont. Hrs.	2,000.00	2,000	2,000	2,000	-	0.00%	AOS Requested Amount
0000-2210-561000 Supplies/Books/Period	353.33	ı	ı	1	1	#DIN/0i	
0000-2212-533000 Curriculum Work	527.90	200	200	009	100	20.00%	AOS Request
0000-2212-533001 NWEA	1,742.61	3,000	1,900	1,800	(1,200)	-40.00%	Formula/ Student K-8 now
0000-2212-533004 Health Coord.	1,120.00	1,050	1,120	1,050	ı	%00.0	Shared with AOS
Total Improve. Of Instruction	13,977.66	15,800	13,622	16,823	1,023	6.47%	
						#DIN/0i	
Library & Audio Visual						#VALUE!	
0000-2220-510100 Salaries: Librarian	56,230.00	39,636	39,636	40,580	944	2.38%	
0000-2220-520100 Medicare	1.00	575	575	589	14	2.43%	
0000-2220-521100 Blue Cross / Blue Shield	5,146.60	13,362	12,147	12,390	(972)	-7.27%	
0000-2220-543000 Contr. Svcs.: Equip. Repair	-	Ī	1	1	-	#DIV/0!	
0000-2220-561000 Supplies	160.39	650	350	650	-	0.00%	
0000-2220-561100 Computer Supplies	-	Ī	1	1	-	#DIV/0!	
0000-2220-564000 Books	1,765.42	2,000	2,000	2,000	-	0.00%	
0000-2220-564300 Periodicals	-	750	750	750	-	0.00%	
0000-2220-566000 AV Material/Software	•	950	200	950	ı	0.00%	
0000-2220-573000 Replace/Purchase Equipmen	157.05	750	200	750	ı	%00:0	
0000-2220-581000 Dues / Fees / Conferences	1	325	325	325	1	0.00%	includes travel
Total Library & AV	63,460.46	58,998	56,783	58,984	(14)	-0.02%	

		SOU	IHWEST HARI	SOUTHWEST HARBOR SCHOOL DEPARTMENT	DEPARTME	F		
		60-80	09-10	09-10	10-11			
		Actual	Current	Anticipated	Proposed	\$	%	
Student & Staff Support	pport	Expend.	Budget	Expend.	Budget	Difference	Difference	Explanation
	Technology							
0000-2230-510100 T	Technology Intergrater	19,661.00	1	19,393	19,859	19,859	#DIV/0i	
0000-2230-510600 T	Fechnology Coordinator	26,247.00	41,833	22,440	24,025	(17,808)	-42.57%	Increase in summer hours
0000-2230-520100 B	0000-2230-520100 Benefits: Tech. Intergrater	253.55	1	281	288	288	#DIN/0i	
0000-2230-520600 Benefits: Tech. Coord.	enefits: Tech. Coord.	2,007.89	1,998	1,717	1,838	(160)	-8.01%	
0000-2230-521100 B	0000-2230-521100 BC/BS: Tech. Intergrater		1	6,074	6,195	6,195	#DIN/0i	2% rate increase
0000-2230-521600 BC/BS: Tech. Coord	C/BS: Tech. Coord.	15,050.98	12,102	4,929	5,028	(7,074)	-58.45%	2% rate increase
0000-2230-543200 Repair & Maint.	tepair & Maint.	845.14	200	200	200	1	%00.0	
0000-2230-558000 Staff Travel	taff Travel	219.46	1	1	100	100	#DIV/0i	
0000-2230-560000 S	Supplies	3,648.35	3,450	3,450	3,600	150	4.35%	cartridges/bulbs etc.
0000-2230-565000 S	Software	6,406.54	7,700	7,700	7,700	ı	%00.0	Lexia, Fasttmath
0000-2230-573400 Equipment	quipment	14,389.30	24,000	20,000	24,000	ı	%00.0	specific replacements/parts
0000-2230-581000 D	0000-2230-581000 Dues, Fees, Conf., Travel	119.97	325	325	325	ı	%00'0	includes travel
	Total Technology	88,849.18	91,908	86,809	93,458	1,550	1.69%	
System Administration	ation							
	Office of Superintendent							
0000-2320-533200 A	0000-2320-533200 Assessment: Administration	90,024.30	52,400	52,400	46,199	(6,201)	-11.83%	AOS Formula
0000-2200-530000 A	0000-2200-530000 Assess.: Curric. & Techn.		33,291	33,291	29,312	(3,979)	-11.95%	
2500-2330-534400 C	2500-2330-534400 Other Prof Svcs-Spec Svcs	28,754.70	34,492	34,492	45,113	10,621	30.79%	
	Total Office of Supt.	118,779.00	120,183	120,183	120,624	441	0.37%	
System Administration	ation							
	School Committee							
0000-2310-515000 S	0000-2310-515000 Salaries: School Committee	2,500.00	2,500	2,500	2,500	1	0.00%	
0000-2310-520000 Soc. Sec. / Medicare	oc. Sec. / Medicare	114.75	192	192	192	1	0.00%	
0000-2310-534000 P	Prof. Svcs.: Legal & Audit	9,548.78	7,500	7,500	7,500	1	%00.0	
0000-2310-581000 L	0000-2310-581000 Dues / Fees / Conferences	744.01	750	750	750	1	%00.0	
	Total School Committee	12,907.54	10,942	10,942	10,942	1	%00.0	

		SOUTHW	EST HAR	SOUTHWEST HARBOR SCHOOL DEPARTMENT	DEPARTMEN	F		
	08-09	0	09-10	09-10	10-11			
	Actual		Proposed	Anticipated	Proposed	↔	%	
School Administration	Expend	_	Budget	Expend.	Budget	Difference	Difference	Explanation
Office of Principal	al							
0000-2410-510400 Salaries: Principal	76,445.20	5.20	78,356	78,356	80,119	1,763	2.25%	
0000-2410-511800 Salaries: Secretaries	63,783.32	3.32	67,190	67,190	68,362	1,172	1.74%	
0000-2410-520400 Benefits: Principal	1,061.24	1.24	1,137	1,137	1,162	25	2.20%	
0000-2410-520800 Benefits: Secretaries	1,76	1,764.88	2,276	2,276	2,316	40	1.76%	
0000-2410-521400 BC/BS: Principal	12,147.24	7.24	5,929	5,390	5,498	(431)	-7.27%	2% rate increase
0000-2410-521800 BC/BS: Secretaries	20,174.40	4.40	22,193	20,175	20,579	(1,614)	-7.27%	2% rate increase
0000-2410-543000 Svc. Agreem./Equip. Repair		1,272.69	2,400	1,300	1,300	(1,100)	-45.83%	
0000-2410-544450 Copier Lease/Purchase		4,694.45	4,695	4,695	4,695	1	%00'0	
0000-2410-554000 Advertising		917.66	3,000	1,000	1,000	(2,000)	%29.99-	
0000-2410-558000 Staff Travel	69	698.14	250	300	350	100	40.00%	
0000-2410-560000 Office Supplies / Postage		4,993.58	000'9	000'9	5,000	(1,000)	-16.67%	
0000-2410-564000 Books & Periodicals	2	57.95	200	•	100	(100)	-20.00%	
0000-2410-565000 Software		1		1	•	1	#DIN/0i	
0000-2410-573000 Replace/Purchase Equipmen		105.25	•	166	•	1	#DIN/0i	
0000-2410-581000 Dues / Fees / Conferences		829.14	1,000	1,000	1,000	1	%00.0	Includes Prof. Fees
0000-2410-589000 Miscellaneous/Celebrations		,738.91	1,500	1,500	1,700	200	13.33%	Graduation, Volunteer Apprec.
Total Office of Principal	cipal 190,684.05	4.05	196,126	190,485	193,181	(2,945)	-1.50%	
							#DIN/0i	
Facilities Maintenance							#DIN/0i	
Operation & Maint. Of Plant	of Plant						#DIN/0i	
0000-2600-511800 Salaries: Custodians	129,786.05	6.05	123,000	123,000	125,000	2,000	1.63%	
0000-2600-520800 Soc. Sec./ Medicare / Retire.		8.64	9,410	9,410	9,563	153	1.63%	
0000-2600-521800 Blue Cross / Blue Shield	əld 17,536.80	08.9	19,291	17,537	17,888	(1,403)	-7.27%	2% rate increase
0000-2600-541000 Utility Svcs.: Sewer / Water		4,243.98	4,500	4,500	7,000	2,500	22.56%	Rate Increase Anticipated
0000-2600-552000 Insurance: Build/Equip/Comp		6.14	7,000	7,000	7,000	1	0.00%	Building/Liability
0000-2600-552100 Laptop Insurance	2,29	2,296.00	2,250	2,250	2,250	1	0.00%	
0000-2600-553200 Telephone	5,01	5,010.14	009'9	5,500	5,600	(1,000)	-15.15%	Sprint/ Verizon
0000-2600-560000 Supplies	7,36	7,369.33	14,000	10,000	10,000	(4,000)	-28.57%	Cleaning & Paper Supplies
0000-2600-562200 Electricity	43,953.12	3.12	55,500	50,000	50,000	(5,500)	-9.91%	Bangor Hydro
0000-2600-562300 L.P. Gas - Cafeteria	1,69	1,699.18	3,000	2,000	2,000	(1,000)	-33.33%	Hot Water bill
0000-2600-562400 Heating Oil	67,935.96	5.96	45,000	40,985	42,000	(3,000)	-6.67%	
0000-2600-573000 Replace/Purchase Equipmen	uipmen ⁻	1	-	-	3,300	3,300	#DIN/0i	Repl. Water Fount/Emergy Lights
0000-2600-581000 Dues / Fees / Conferences		242.75	150	200	200	20	33.33%	
0000-2630-543001 Rubbish Removal	1,644.91	4.91	3,000	3,000	4,000	1,000	33.33%	Gotts - 114/mo. & Richards Truck
0000-2620-543000 Contr. Svcs. : Building	3	96.9	20,000	31,000	31,000	11,000	22.00%	Fire System, Elevator, Etc.
0000-2630-543000 Contr. Svcs. : Grounds		2,044.50	3,600	3,600	3,600	1	0.00%	Hodgdon Lawn
0000-2640-543000 Contr. Svcs.: Equip. Repair		1,257.42	7,500	3,500	3,500	(4,000)	-53.33%	Electric, Plumb., Elevator, WtrFilter
Total Oper. & Maint.	<i>int.</i> 332,381.88	1.88	323,801	313,482	323,901	100	0.03%	

Transportation and Buesea		SOUTH	THWEST HAR	WEST HARBOR SCHOOL DEPARTMENT	DEPARTME	F		
Actual Current Anticipated Proposed \$ \$ %		60-80	09-10	09-10	10-11			
filter Budget Expend, Budget Expend, Budget Difference Difference 48,426.18 61,375 58,000 60,000 (1,375) -2.24% irie. 3,674,48 4,595 4,437 -4,590 (5) -0.11% ng 74,130 1,200 1,000 - - - - nins 8,835,91 9,000 9,000 - 0.00% - -0.11% nins 8,835,91 9,000 9,000 - 0.00% - -0.11% pipenen 1,451,98 20,000 1,500 18,000 - -0.00% preven 83,835,00 116,000 18,000 -0.00% -0.00% preven 83,750,00 1,500 1,000 -1.000 -1.000% preven 3,750,00 3,750 3,750 -1.000 -1.000 -1.000% preven 3,750,00 3,000 3,750 -1.000 -1.000 -1.000%		Actual	Current	Anticipated	Proposed	\$	%	
titon 48,426.18 61,375 58,000 60,000 (1,375) 22,24% life. 3,674.48 4,595 4,447 4,590 (5) -0.11% ng 7,4130 1,200 1,000 1,200 -0.00% nire. 8,835.91 9,000 9,000 -0.00% nire. 1,200 1,200 -0.00% nire. 1,68.00 1,200 -0.00% nire. 1,68.35 1,000 1,500 -0.00% nivate 1,68.00 1,000 1,000 -0.00% nipmen 1,451.99 -0.100 1,000 -0.00% erve 2,000 16,000 18,000 -0.00% erve 3,750.00 116,000 18,000 -0.00% erve 10,000 18,000 0.00% -0.00% erve 2,559.00 116,000 18,000 0.00% erve 3,750.00 1,000 1,000 1,000 erve 3,750.0	Transportation and Buses	Expend.	Budget	Expend.	Budget	Difference	Difference	Explanation
tire. 3,674.8 61,375 58,000 60,000 (1,375) -2.24% 3,674.8 4,595 4,437 4,590 (5) -0.11% 100 741.30 1,200 1,000 1,200 - 0.00% Private 88,85.91 9,000 9,000 9,000 - 0.00% 14,158.8 20,000 16,000 18,000 (2,00) - 1.000% 14,158.8 20,000 16,000 18,000 (2,00) - 1.000% 14,158.8 20,000 16,000 18,000 (2,00) - 1.000% 14,158.8 20,000 16,000 18,000 - 0.000% 14,159.9 - 1,000 1,000 18,000 - 0.000% 15,000 1,000 18,000 - 0.000% 13,70 15,559.00 115,545 108,512 112,090 (3,455) - 2.99% 13,440.41 30,000 30,000 - 0.000% 13,440.41 30,000 30,000 - 0.000% 13,400.41 30,000 30,000 - 0.000% 18,000 1,000 1,000 - 0.000% 18,000 1,000 1,000 - 0.000% 18,000 1,000 1,000 - 0.000% 15,000 1,000 1,000 - 0.000% 15,000 1,000 1,000 - 0.000% 16,000 1,000 1,000 - 0.000% 17,190.41 39,750 39,750 34,750 (5,000 1,12,88) 189,587.57 176,006 261,050 261,050 1,000 2,000 4,55% 18,279,353.37 3,284,193 3,203,904 3,153,418 (110,775) -3,39% Total Buddet Increase w/0 Debt Service = (96,00) -3,41%	Student Transportation							
itie. 3,674.48 4,595 4,437 4,590 (5) -0.11% ng 741.30 1,200 1,000 1,200 - 0.00% airs 8,835.91 9,000 9,000 9,000 - 0.00% rivate 168.00 - 1.000 1,200 0 0,000 - 0.00% 503.06 300 16,000 18,000 200 66.67% 503.06 300 16,000 18,000 - 0.00% erve 3,170 175 175 112,090 1,00	0000-2700-511800 Salaries: Bus Drivers	4	61,375	58,000	60,000	(1,375)	-2.24%	1.5 Drivers & Co-Curric.
Total Buddet Total Buddet	0000-2700-520800 Soc.Sec./Medicare/Retire		4,595	4,437	4,590	(5)	-0.11%	
ng 741.30 1,200 1,000 1,200 0.00% airs 8,835.31 9,000 1,000 1,000 0.00% 0.00% r/rate 168.05.51 1,000 1,500 800 (200) -20.00% arrate 168.05.6 300 1,500 1,500 800 (200) -20.00% erve 563.06 300 16,000 18,000 18,000 -10.00% erve 31.70 75 75 - 4DIV/OI erve 31.70 75 75 - 4DIV/OI erve 31.70 1,545 108.512 112,090 (3,455) -2.99% pr 162,590.00 11,500 1,000 - 4DIV/OI 4DIV/OI erve 3,750.00 3,750 3,750 3,750 3,750 - 10.00% gr 17,190.41 39,750 3,750 34,750 (5,000) -10.00% erve 3,750.00 4,700	0000-2700-521800 BC/BS: Bus Drivers		-	-	-	-	#DIN/0i	
airs 8,835.91 9,000 9,000 9,000 - 0,00% Phystie 188.00 - 0,00 - 0,00% 9,000 - 0,00% 9,000 - 0,00% 9,000 - 0,00% 9,000 - 0,00% 9,000 - 0,00% 9,000 - 0,00% 9,000 - 0,00% 9,000 - 0,00% 9,000 - 0,00% 9,000 - 0,00% 9,000 - 0,00% 9,000 - 0,00% 9,000 - 0,00% 9,000 - 0,00% 9,000 - 10,00% 9,000 - 10,00% 9,000 - 10,00% 9,000 - 1,000 - 1,000 1,000 - 1,000 1,000 - 1,00	0000-2700-534000 Physicals & Drug Testing		1,200	1,000	1,200	-	%00'0	
168 00 1,500 800 (200) 20,00% 1,500 500 500 66,67% 1,500 16,000 18,000 (2,000) 1,000% 1,500 503.06 200,000% 1,000% 1,000% 1,000 1,000% 1,000% 1,000 1,000 1,000% 1,000% 1,000 1,000 1,000% 1,000% 1,000% 1,000 1,000 1,000 1,000 1,000 1,000 1,000% 1,000% 1,000 1,0	0000-2700-543000 Contr. Svcs.: Bus Repair	8	9,000	9,000	9,000	-	%00.0	
1,500 1,500 1,500 20,00% 20,00% 20,00% 20,00% 1,4136.83 20,000 16,000 18,000 18,000 1,4136.83 20,000 16,000 18,000 18,000 18,000 18,000 18,000 18,000 18,000 18,000 18,000 18,000 18,000 18,000 18,000 18,000 18,000 18,000 18,000 18,000 19,000 19,000 19,000 10,000	0000-2700-551400 Transp. Purchased fr Priv		ı	1	1	-	#DIN/0i	
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Total Budget Increase w/o Debt Service = (96,409)	Grand Totals:	3.279.353.37	3.264.193	3.203.904	3.153.418	(110.775)	-3.39%	
		Total Budget Incre	ase w/o Debt	Service =		(96.409)	-3.41%	

Notes



The Warrant Annual Town Meeting May 3 & 4, 2010 Town of Southwest Harbor

County of Hancock, ss.

State of Maine

Introduction

In an effort to make the Warrant more understandable and easier to follow, the Board of Selectmen has placed the related articles in sequence. Each <u>article is underlined</u>. Each article can be discussed and amended by motion as voters see fit.

This year the Town Meeting will be held on Monday, May 3, 2010 beginning at 6:00 p.m. at the Pemetic Elementary School; voting by secret ballot will be held on Tuesday May 4, 2010 at the Southwest Harbor Fire Station. Town Meeting will promptly begin at 6:00 p.m.

To: Chief David Chapais, a Constable of the Town of Southwest Harbor

Greetings:

In the name of the State of Maine you are hereby required to notify and warn the voters of the Town of Southwest Harbor, Hancock County, qualified by law to vote in Town affairs to meet in the Pemetic Elementary School, First Floor Auditorium, in said Town, **Monday, the 3rd day of May, 2010 A.D. at six o'clock in the evening**, then and there to act on Articles numbered one [1] through fifty [50]

And to notify and warn said voters to meet in the Southwest Harbor Fire Station Meeting Room on **Tuesday**, the 4th day of May A.D. 2010 at ten o'clock in the forenoon, then and there to act on Article numbers fifty-one [51] through sixty-two [62] by secret ballot, voting to begin at ten o'clock in the forenoon and to continue until eight o'clock in the evening when the polls will close.

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

<u>Article 2</u>: 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 choose such other municipal officers as the voters shall deem appropriate.

GENERAL GOVERNMENT

<u>Article 4</u>: To see what sum the Town will vote to raise and appropriate for <u>Administration</u> for the period July 1, 2010 to June 30, 2011.

Requested:	\$362,040
Source: Payment In Lieu of Taxes	\$ 20,000
Fees & Licenses State & Federal Assistance	\$ 22,800 \$ 75,000
Fines & Penalties	\$ 20,000
Service Revenue Miscellaneous Income	\$ 20,000 \$ 25,000
Taxation	\$179,240
Total:	\$362,040
Board of Selectmen recommends	\$362,040
Warrant Committee recommends	\$359,340

<u>Article 5</u>: To see what sum the Town will vote to raise and appropriate for <u>Debt Service</u> for the period July 1, 2010 to June 30, 2011.

Requested:	\$212,150
Source: Taxation	\$212,150
Board of Selectmen recommends Warrant Committee recommends	\$212,150 \$212,150
Summary of Debt Service:	
Fire Station	\$84,650

Fire Station	\$84,650
Parking Lot	\$ 1,000
Tax Abatements	\$20,000
Legette Property	\$24,600
Police Station	\$51,400
Lower Town Dock	\$30,500
TOTAL:	\$212,150

Article 6: To see what sum of money the Town will vote to raise and appropriate for the Municipal Offices for the period July 1, 2010 to June 30, 2011.

Requested:	\$28,075
Source: Miscellaneous Income	\$ 500
Taxation	<u>\$27,575</u>
Total:	\$28,075
Board of Selectmen recommends	\$28,075
Warrant Committee recommends	\$28,075

Article 7: To see what sum of money the Town will vote to raise and appropriate for General Assistance for the period July 1, 2010 to June 30, 2011.

Requested:	\$5,000
Source: Taxation	\$5,000
Board of Selectmen recommends	\$5,000
Warrant Committee recommends	\$5,000

Article 8: To see what sum of money the Town will vote to raise and appropriate for Insurance Purposes for various Town properties and activities for the period July 1, 2010 to June 30, 2011.

Requested:	\$32,935
Source: Taxation	\$32,935
Board of Selectmen recommends Warrant Committee recommends	\$32,935 \$32,935

Article 9: To see what sum of money the Town will vote to raise and appropriate for Southwest Harbor Boards and Committees for the period July 1, 2010 to June 30, 2011.

Requested:	\$12,075
Source: Fees & Licenses Taxation Total:	\$ 500 <u>\$11,575</u> \$12,075
Board of Selectmen recommends Warrant Committee recommends	\$12,075 \$11,675

<u>Article 10</u>: To see what sum of money the Town will vote to raise and appropriate for <u>Contracted Services</u> for the period July 1, 2010 to June 30, 2011.

\$686,710

1	
Source: Miscellaneous Income	\$ 50,000
Taxation	\$636,710
Total:	\$686,710
Board of Selectmen recommends	\$686,710
Warrant Committee recommends	\$686,710

Requested:

ASSESSING, PLANNING, AND CODE ENFORCEMENT

Article 11: To see what sum of money the Town will vote to raise and appropriate for the Assessing, Planning, and Code Enforcement Department for the period July 1, 2010 to June 30, 2011.

Requested:	\$148,895
Source: Fees & Licenses	\$ 22,540
Taxation	<u>\$126,355</u>
Total:	\$148,895
Board of Selectmen recommends	\$148,895
Warrant Committee recommends	\$148,095

PUBLIC SAFETY

Article 12: To see what sum of money the Town will vote to raise and appropriate for the Southwest Harbor Police Department for the period July 1, 2010 to June 30, 2011.

Requested:	\$428,660
Source: Fees & Licenses	\$ 2,400
Fines & Penalties	\$ 4,000
Taxation:	\$422,260
Total:	\$428,660
Board of Selectmen recommends	\$428,660
Warrant Committee recommends	\$428,660

Article 13: To see what sum of money the Town will vote to raise and appropriate for the Southwest Harbor Dispatch Department for the period July 1, 2010 to June 30, 2011.

Requested:	\$246,955
Source: Service Revenue	\$ 20,000
Taxation	\$226,955
Total:	\$246,955
Board of Selectmen recommends	\$246,955
Warrant Committee recommends	\$246 955

Article 14: To see what sum of money the Town will vote to raise and appropriate for the Southwest Harbor Fire Department for the period July 1, 2010 to June 30, 2011.

Requested:	\$72,340
Source: Taxation	\$72,340
Board of Selectmen recommends Warrant Committee recommends	\$72,340 \$72,340

PUBLIC WORKS

Article 15: To see what sum of money the Town will vote to raise and appropriate for the Southwest Harbor Highway Department for the period July 1, 2010 to June 30, 2011.

Requested:	\$309,160
Source: Excise Tax	\$294,160
State & Federal Assistance	<u>\$ 15,000</u>
Total:	\$309,160
Board of Selectmen recommends	\$309,160
Warrant Committee recommends	\$308,410

<u>Article 16</u>: To see what sum of money the Town will vote to raise and appropriate for the <u>Southwest Harbor Town Docks and Floats</u> for the period July 1, 2010 to June 30, 2011.

Requested:	\$94,680
Source: Fees & Licenses	\$81,200
Taxation	\$13,480
Total:	\$94,680
Board of Selectmen recommends	\$94,680
Warrant Committee recommends	\$94,680

CAPITAL IMPROVEMENTS

Article 17: To see what sum of money the Town will vote to raise and appropriate for the Capital Improvement Plan Reserve for the period July 1, 2010 to June 30, 2011.

Requested:	\$428,800
Source: Excise Tax	\$ 25,840
Taxation	\$402,960
Total:	\$428,800
Board of Selectmen recommends	\$428,800
Warrant Committee recommends	\$428,800
Capital Improvement Plan Summary:	
Administration	\$ 28,350
Municipal Building	\$ 25,000
Police	\$ 20,490
Dispatch	\$ 3,000
Fire	\$ 49,425
Harbor	\$ 67,990
Highway	\$234,545
Total:	\$428,800

<u>Note:</u> This article replaces the reserve accounts formerly contained in individual departmental articles.

SOUTHWEST HARBOR SCHOOL DEPARTMENT

Note: Articles 18 through 28 authorize expenditures in cost center categories.

Article 18: To see what sum the School Committee is authorized to expend for Regular Instruction for the fiscal year beginning July 1, 2010 to June 30, 2011.

School Committee recommends	\$1,086,708
Board of Selectmen recommends	\$1,086,708
Warrant Committee recommends	\$1,086,708

Article 19: To see what sum the School Committee is authorized to expend for Special Education for the fiscal year beginning July 1, 2010 to June 30, 2011.

School Committee recommends	\$478,722
Board of Selectmen recommends	\$478,722
Warrant Committee recommends	\$478,722

<u>Article 20</u>: To see what sum the School Committee is authorized to expend for Career and Technical Education for the fiscal year beginning July 1, 2010 to June 30, 2011.

School Committee recommends	\$0
Board of Selectmen recommends	\$0
Warrant Committee recommends	\$0

Article 21: To see what sum the School Committee is authorized to expend for Other Instruction for the fiscal year beginning July 1, 2010 to June 30, 2011.

School Committee recommends	\$80,038
Board of Selectmen recommends	\$80,038
Warrant Committee recommends	\$80,038

Article 22: To see what sum the School Committee is authorized to expend for **Student & Staff Support** for the fiscal year beginning July 1, 2010 to June 30, 2011.

School Committee recommends	\$318,197
Board of Selectmen recommends	\$318,197
Warrant Committee recommends	\$318,197

<u>Article 23</u>: To see what sum the School Committee is authorized to expend for <u>System</u> Administration for the fiscal year beginning July 1, 2010 to June 30, 2011.

School Committee recommends	\$57,141
Board of Selectmen recommends	\$57,141
Warrant Committee recommends	\$57,141

Article 24: To see what sum the School Committee is authorized to expend for School Administration for the fiscal year beginning July 1, 2010 to June 30, 2011.

School Committee recommends	\$193,181
Board of Selectmen recommends	\$193,181
Warrant Committee recommends	\$193,181

Article 25: To see what sum the School Committee is authorized to expend for **Transportation** & Buses for the fiscal year beginning July 1, 2010 to June 30, 2011.

School Committee recommends	\$112,090
Board of Selectmen recommends	\$112,090
Warrant Committee recommends	\$112,090

<u>Article 26</u>: To see what sum the School Committee is authorized to expend for <u>Facilities</u> <u>Maintenance</u> for the fiscal year beginning July 1, 2010 to June 30, 2011.

School Committee recommends	\$358,651
Board of Selectmen recommends	\$358,651
Warrant Committee recommends	\$358,651

Article 27: To see what sum the School Committee is authorized to expend for **Debt Service** and Other Commitments for the fiscal year beginning July 1, 2010 to June 30, 2011.

School Committee recommends	\$422,690
Board of Selectmen recommends	\$422,690
Warrant Committee recommends	\$422,690

Article 28: To see what sum the School Committee is authorized to expend for All Other Expenditures for the fiscal year beginning July 1, 2010 to June 30, 2011.

School Committee recommends	\$46,000
Board of Selectmen recommends	\$46,000
Warrant Committee recommends	\$46,000

Note: Articles 18 – 28 authorize a total budget of \$3,153,418

Note: Articles 29-31 raise funds for the Proposed School Budget.

Article 29: To see what sum the voters of the Town of Southwest Harbor will appropriate for the total cost of funding public education from kindergarten to grade 12 as described in the Essential Programs and Services Funding Act (Recommend \$1,492,166) 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, 2010 to June 30, 2011.

School Committee recommends	\$1,398,106
Board of Selectmen recommends	\$1,398,106
Warrant Committee recommends	\$1,398,106

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 30: 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, 2010 to June 30, 2011.

School Board recommends: \$422,690 Board of Selectmen recommends: \$422,690 Warrant Committee recommends: \$422,690

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.

Article 31: To see what sum the voters of the Town of Southwest Harbor will raise and appropriate in additional local funds for school purposes (Recommend: \$1,133,331) for the period July 1, 2010 to June 30, 2011, which exceeds the State's Essential Programs and Services allocation model by (Recommend: \$1,094,560) as required to fund the budget recommended by the School Committee.

Written Ballot Vote Required

The School Committee recommends: \$1,133,331 for additional local funds and gives the following reasons for exceeding the State's Essential Programs and Services funding model by \$1,094,560: The State funding model underestimates the actual costs to fully fund the 2010-2011 budget.

The Board of Selectmen recommends: \$1,133,331 for additional local funds and gives the following reasons for exceeding the State's Essential Programs and Services funding model by \$1,094,560: The State funding model underestimates the actual costs to fully fund the 2010-2011 budget.

The Warrant Committee recommends: \$1,133,331 for additional local funds and gives the following reasons for exceeding the State's Essential Programs and Services funding model by \$1,094,560: The State funding model underestimates the actual costs to fully fund the 2010-2011 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 29, 30, & 31 raise a total town appropriation of \$2,954,127

Note: Article 32 summarizes the proposed school budget and does not authorize any additional expenditures.

Article 32: 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, 2010 and ending June 30, 2011 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.

School Committee recommends: \$3,153,418
Board of Selectmen recommends: \$3,153,418
Warrant Committee recommends: \$3,153,418

Article 33: In addition to the amount in Articles 18-32, 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 2010-2011 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: \$154,648 School Committee recommends passage.

Φ7 020

\$7,830

NON-GOVERNMENTAL EXPENDITURE REQUESTS

Article 34: To see what sum of money the Town will vote to raise and appropriate for the Community Service Organizations for the period July 1, 2010 to June 30, 2011.

Requested:	\$7,830
Source: Taxation	\$7,830
Board of Selectmen recommends:	\$7,830

Warrant Committee recommends:

Summary of Community Service Organizations:

•	•	0		
Downeast Health Se	ervices		\$	900
Downeast Transpor	tation		\$	825
Eastern Area on Ag	ing		\$1	,500
Hancock Home Car	e		\$1	,870
Hospice of Hancock	County		\$	600
Island Connections			\$1	,500
Washington/Hancoo	ck Commun	ity Agency	\$	635
Total:			\$7	.830

Article 35: To see what sum of money the Town will vote to raise and appropriate for the Southwest Harbor Public Library for the period July 1, 2010 to June 30, 2011.

Requested:	\$55,000
Source: Taxation	\$55,000
Board of Selectmen recommends:	\$45,000 \$45,000

Article 36: To see what sum of money the Town will vote to raise and appropriate for the MDI Explorer Bus System for the period July 1, 2010 to June 30, 2011.

Requested: \$10,000

Source: Taxation \$10,000

Board of Selectmen recommends: \$10,000 Warrant Committee recommends: \$10,000

Article 37: To see what sum of money the Town will vote to raise and appropriate for a Harbor House Youth Center and Recreation Programs for the period July 1, 2010 to June 30, 2011.

Requested: \$61,430

Source: Taxation \$61,430

Board of Selectmen recommends: \$56,345 Warrant Committee recommends: \$56,345

Article 38: To see what sum of money the Town will vote to raise and appropriate for the Southwest Harbor / Tremont Nursing Service for the period July 1, 2010 to June 30, 2011.

Requested: \$46,092

Source: Taxation \$46,092

Board of Selectmen recommends: \$44,320 Warrant Committee recommends: \$46,092

Article 39: To see what sum of money the Town will vote to raise and appropriate for the MDI Community Campfire Coalition for the period July 1, 2010 to June 30, 2011.

Requested: \$2,500

Source: Taxation \$2,500

Board of Selectmen recommends: \$2,500 Warrant Committee recommends: \$0

<u>Article 40</u>: To see what sum of money the Town will vote to raise and appropriate for the <u>Mt.</u> Heights Cemetery for the period July 1, 2010 to June 30, 2011.

Requested: \$5,000

Source: Taxation \$5,000

Board of Selectmen recommends: \$5,000 Warrant Committee recommends: \$0

Article 41: To see if the Town will vote to accept gifts, donations and sales receipts to be used to operate and fund a swap shop operated by the Southwest Harbor Waste Prevention Committee?

Board of Selectmen recommends passage.

Article 42: To see if the Town will vote to increase the property tax levy limit of \$2,868,740 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.

Written Ballot Vote Required

Board of Selectmen recommends passage.

Article 43: To see if the Town will vote to allow the first half of taxes shall be due and payable on or before September 1, 2010 and that the second half of taxes shall be due and payable on or before February 1, 2011 and that interest shall be charged at the annual rate of 7% on any unpaid taxes due on September 1, 2010 beginning September 2, 2010 and on any unpaid taxes due February 1, 2011 beginning February 2, 2011. That also a rate of 3% interest per annum is paid for refund of property tax collected in accordance to state statute.

Board of Selectmen recommends passage.

Article 44: 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, 2010 to June 30, 2011.

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 2010-2011
Payment In Lieu of Taxes	20,000
Fees & Licenses	449,740
State & Federal Assistance	90,000
Fines & Penalties	24,000
Service Revenue	40,000
Miscellaneous	<u>75,500</u>
Estimated Revenue Total	\$699,240

NON-EXPENDITURE ARTICLES

<u>Article 45</u>: To see if the Town will vote to authorize the Selectmen to apply for and receive money, without further action by Town Meeting, from the <u>State of Maine</u>, which may become available during the ensuing year, including but not limited to the following sources:

Municipal Revenue Sharing	\$ 75,000	Est.
Local Road Assistance	\$ 20,000	Est.
State Aid to Education	\$155,000	Est.
Public Library State Aid per Capita	\$ 200	Est.
Civil Emergency Funds	\$ 100	Est.
Snowmobile Registration Monies	\$ 300	Est.
Tree Growth Reimbursements	\$ 100	Est.
General Assistance Reimbursements	\$ 2,500	Est.
State Grants and Other Funds	Unknown	

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

Board of Selectmen recommends passage.

<u>Article 46</u>: To see if the Town will vote to accept all **Trust Funds** as received by the Town of Southwest Harbor Trust Officer during 2010-2011.

Board of Selectmen recommends passage.

<u>Article 47</u>: To see if the Town will vote to have unexpended balances and overdrafts in the Town 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/from the **Surplus Account** as deemed advisable by the Board of Selectmen.

Board of Selectmen recommends passage.

<u>Article 48</u>: To see if the Town will vote to authorize the Selectmen, on behalf of the Town, to sell or dispose of any real estate acquired by the Town for <u>Non Payment of Taxes</u> thereon, on terms as the Selectmen may deem advisable, and to execute Quit-Claim Deeds for such property.

Board of Selectmen recommends passage.

Article 49: To see if the Town will vote to authorize the municipal officers to dispose of Townowned personal property with a value of \$10,000 or less under such terms and conditions as they deem advisable.

Board of Selectmen recommends passage.

<u>Article 50:</u> 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.

The following articles will be voted on by secret ballot on Tuesday, May 4, 2010.

ORDINANCE AMENDMENTS

Note: Additions to the existing ordinances are underscored and deletions are struck out.

<u>Article 51:</u> Shall an ordinance entitled "Southwest Harbor Land Use Ordinance" be amended as <u>follows?</u>

Section VI: (D) Erosion & Sedimentation Control Standards

D. EROSION and SEDIMENTATION CONTROL STANDARDS

- 1. All activities which involve filling, grading, excavation or other similar activities which result in unstabilized soil conditions shall require a soil erosion and sedimentation control plan in accordance with the current Maine Erosion & Sediment Control BMP'S (Best Management Practices). That plan shall be submitted to the permitting authority for approval, and shall include, where applicable, provisions for:
 - a. mulching and revegetation of disturbed soil.
 - b. temporary runoff control features such as hay bales, silt fencing or diversion ditches

c. permanent stabilization structures such as retaining walls or rip rap

Article 52: Shall an ordinance entitled "Southwest Harbor Land Use Ordinance" be amended as follows:

Land Use Ordinance, Section III (C) (2): Non-conforming Structures

C. NON-CONFORMING STRUCTURES

1. EXPANSIONS

EXCEPTIONS:

After January 1, 1989, if any portion of a structure is less than the required setback from the normal high-water line of a water body or tributary stream or the upland edge of a wetland, that portion of the structure shall not be expanded as measured in floor area or volume by thirty (30%) or more during the lifetime of the structure. No expansion is allowed towards the shore line, or laterally towards the side lot lines. If the replacement structure conforms with the requirements of Section (C)(3), and is less than the required setback from a water body, tributary stream or wetland, the replacement structure may not be expanded if the original structure existing on January 1, 1989 had been expanded to 30% in floor area and volume since that date.

<u>Article 53:</u> Shall an ordinance entitled "Southwest Harbor Land Use Ordinance" be amended as follows?

Land Use Ordinance, Section VI(C): Driveway & Driveway Opening Standards

C. DRIVEWAY AND DRIVEWAY OPENING STANDARDS

8. Any new driveway opening off a private road may require a culvert as determined by the CEO or Public Works Director, sized accordingly to the SWH Road Ordinance standards. The owner of the property being served by the driveway shall be responsible for the installation, maintenance and future replacement.

<u>Article 54:</u> Shall an ordinance entitled "Southwest Harbor Land Use Ordinance" be amended as <u>follows?</u>

Section VIII: Site Plan Review

SITE PLAN REVIEW

B. REVIEW AUTHORITY

- 2. The Planning Board will have the authority to review the following:
 - j. Non-conforming structures and the non-conforming uses in the Harbor Zone, Commercial Fisheries/Maritime Activities zone and maritime Activity zone.
 - k. All applications located in any of the three (3) Harbor Zones: Commercial Fisheries/Maritime Activities Zone, Maritime Activity Zone, Harbor Zone

Article 55: Shall an ordinance entitled "Southwest Harbor Land Use Ordinance" be amended as follows:

Section VII – Standards for Special Activities

- M. MOTEL, HOTEL, BOATEL, CABINS, COTTAGES, etc.
 - 1. Definition: A building or group of buildings containing rooms which are used or rented for sleeping purposes by transients.
 - 2. Motels, hotels, boatels are principal commercial uses. Cabins and cottages may be considered as principal commercial uses, or as accessory commercial uses to a principal residential or commercial use.
 - 3. Efficiency Unit Includes a food preparation area only serving that unit. If the occupant of the unit is in residence for more than 6 months, the unit must meet the minimum residential floor space requirement for each Zone and, except in Zone A the minimum lot size requirement under multi-family.

<u>Article 56:</u> Shall an ordinance entitled "Southwest Harbor Land Use Ordinance" be amended as follows?

Section VI (M): Road Standards:

M. ROAD STANDARDS

2. ROAD DESIGN STANDARDS

- c. Existing roads or new roads where they are sited on a right-of-way existing as of May 2, 1994 must comply with the following standards.
 - 1) If the right-of-way is less than 16', only one single family residential use is permitted per undeveloped lot of record as of May 3, 1993. If there is existing development on the right-of-way, only additional single family residential use is permitted. The vehicular way shall have a 9' minimum width.
 - 2) If the right-of-way is 16' or greater, but no wider than 26', only residential expansion is permitted. The vehicular way shall be as specified under 3.b.2 2.b.2) above.

Exception: In Zone A only. Public parking areas may be accessed by Town roads provided that:

- 1) R. 0. W. is a minimum of 22' in width
- 2) Travel way is a minimum of 16' in Width
- 3) If the right-of-way is 26' or wider, then all development can occur and the vehicular way shall be as specified under 3.b.3 2.b.3) above.

<u>Article 57:</u> Shall an ordinance entitled "Southwest Harbor Subdivision Ordinance" be amended as follows?

Subdivision Ordinance, Section IV, Subsection (B) (3) (t) Preliminary Plan and Subdivision Approval:

Subsection (B) (3) (t)

An adequate storm water management plan must be provided; A storm water management plan shall be provided that is designed for maximum lot coverage allowed in the zone or to some lesser lot coverage percentage that the applicant stipulates will not be exceeded plus the additional impervious areas created for roads.

Article 58: Shall an ordinance entitled "Southwest Harbor Road Ordinance" be amended as follows?

Road Ordinance, Section X: Storm Drainage Construction Standards:

STORM DRAINAGE CONSTRUCTION STANDARDS

A. All <u>designs and materials</u> utilized for storm drain construction shall be in conformity with <u>current State of Maine DOT Specifications for Highways and Bridges, Revision 1968.</u>

<u>Article 59:</u> Shall an ordinance entitled "Southwest Harbor Road Ordinance" be amended as follows?

Road Ordinance, Section XI – Additional Improvements and Requirements:

SECTION XI: ADDITIONAL IMPROVEMENTS AND REQUIREMENTS

D. Erosion Control

Procedures shall be undertaken, both during preparatory, construction and cleaning stages, to prevent soil erosion and water pollution <u>in accordance to the current Maine Erosion and Sediment Control BMP'S (Best Management Practices).</u> A plan shall be prepared meeting the standards of the Hancock County Soil and Water District.

<u>Article 60:</u> Shall an ordinance entitled "Moratorium Ordinance on Marijuana Dispensaries" be enacted?

MORATORIUM ORDINANCE ON MARIJUANA DISPENSARIES <u>Town of Southwest Harbor</u>

The Town of Southwest Harbor (Maine) adopts an Emergency Moratorium Ordinance on Marijuana Dispensaries as follows:

WHEREAS, a referendum was passed by the Maine voters liberalizing the laws relating to Marijuana Dispensaries; and

WHEREAS, the State of Maine has not formulated the rules and regulations to the licensing of Marijuana Dispensaries; and

WHEREAS, the potential location of marijuana Dispensaries in the Town of Southwest Harbor raises legitimate and substantial questions and concerns about the impact of such facilities on the Town of Southwest Harbor, including questions of the adequacy of streets to additional traffic; the compatibility of Marijuana Dispensaries within existing residential and commercial zones; the potential adverse health and safety effects of marijuana Dispensaries on the community; the possibility of illicit sale and use of illegal drugs, misuses of prescribed marijuana, associated criminal activity, and drug related deaths; and the increased burden on the Southwest Harbor Police Department; and

WHEREAS, marijuana is illegal to possess under federal law; and

WHEREAS, the State of Maine allows the possession of certain amounts of marijuana, and

WHEREAS, the Town of Southwest Harbor currently is in the process of re-writing its Land Use Ordinance to develop consistency with the Town of Southwest Harbor Comprehensive Plan; and

WHEREAS, the current Land Use Ordinance and Comprehensive Plan does not adequately address the concerns listed above; and

WHEREAS, the possible effect of the location of Marijuana Dispensaries has implications for the health, safety, welfare, and moral climate of the Town of Southwest Harbor and its citizens; and

WHEREAS, the Town of Southwest Harbor needs reasonable time to study the Land Use Ordinance and Comprehensive Plan to determine the implications of future proposed Marijuana Dispensaries to develop reasonable regulations governing location and operations of such treatment facilities; and

WHEREAS, the Town of Southwest Harbor, under its home rule authority, and its police power, has the authority to impose reasonable restrictions, conditions, and limitations on such a facility; and

WHEREAS, the Board of Selectmen for the Town of Southwest Harbor, through the advice of the Southwest Harbor Planning Board and staff, shall study the Town of Southwest Harbor Land Use Ordinance to determine the land use implications of Marijuana Dispensaries and consider what locations and conditions or approval might be appropriate for such facilities; and

WHEREAS, the existing Comprehensive Plan, Land Use Ordinance, or other applicable laws and regulations, if any, is not adequate to prevent serious public harm by the development of Marijuana Dispensaries in the Town of Southwest Harbor; and

WHEREAS, it is anticipated that such a study, review, and development of recommendations will take at least one hundred eighty (180) days from the date the Town of Southwest Harbor first enacts this Moratorium Ordinance on Marijuana Dispensaries; and

NOW, THEREFORE, based upon the foregoing findings, be it hereby ordained that the Town of Southwest Harbor does enact the following Moratorium on Marijuana Dispensaries:

- 1. <u>Applicability and Purpose:</u> This moratorium shall apply to Marijuana Dispensary, as defined below that may be proposed to be located within the Town of Southwest Harbor on or after the effective date of this Order.
- 2. **Prohibition:** During the time this Order is in effect, no officer, official, employee, office, board or agency of the Town of Southwest Harbor shall accept, process, approve, deny, or in any other way act upon any application for a building permit, certificate of occupancy, conditional use plan review and/or any other permits related for such use. No person or organization shall develop or operate marijuana Dispensaries within the Town of Southwest Harbor on or after the effective date of this prohibition.

- 3. **Enforcement, violation, and penalties:** If Marijuana Dispensaries are established in violation of this Order, each day of ay continuing violation shall constitute a separate offense for this purpose. The Town shall be entitled to all rights available to, but not limited to, it in law and equity, including its reasonable attorney fees and costs in prosecuting any violations.
- 4. **<u>Definitions:</u>** As used in this Order, the following terms have the following meanings:
 - a. "Marijuana" shall have the definition set forth in Title 17-A M.R.S.A. Section 1101(1)
 - b. "Marijuana Dispensaries" means one or more marijuana dispensary, facility or location, whether fixed or mobile, where medical marijuana is made available to or distributed to any person or entity authorized to receive it under Maine Law.
- 5. **Effective date:** This order shall take effect as of the date of passage and shall remain in effect for a period of one hundred eighty (180) days after said date, unless extended, repealed, or modified by the Town of Southwest Harbor.
- 6. **Pending proceedings:** Notwithstanding the provisions of Title 1 M.R.S.A. § 302, this Order shall apply to any proposal to establish a Marijuana Dispensary, whether or not an application or proceeding to establish said use would be deemed a pending proceeding under Title 1 M.R.S.A. § 302.
- 7. Action by the Board of Selectmen and Planning Board: During the effective period of this Order, the Planning Board and Board of Selectmen appointed staff, shall expeditiously act to review the implications of such a facility/clinic on, among other things, the health, safety, welfare, traffic, law enforcement, land use, aesthetics, property value, and environmental impacts on the Town of Southwest Harbor and its citizens. Toward the end of the Moratorium, the Town will hold at least one public hearing and receive input from interested parties. The Planning Board and interested parties shall endeavor to submit recommendations for permanent action within one hundred seventy-nine (179) days of the effective date of this Order.
- 8. <u>Severability:</u> Should any section or provision of this Order be declared by any court to be invalid, such a decision shall not invalidate any other section or provision.

<u>Article 61:</u> Shall the Town dissolve the Southwest Harbor Dispatch Department and contract with the Hancock County Regional Communications Center for dispatch services?

<u>Article 62:</u> Shall the Town fund all future water and sewer infrastructure debt service out of taxation with all operational expenses to be paid by the utility customers?

<u>Article 63</u> : <u>Election of Officers</u> – <u>To elected by secret ballot:</u>	o elect all necessary Town Officers as are required to be
Two [2] members of the Board	of Selectmen for a three [3] year term.
One [1] member of the Superin	ntending School Committee for a term of three [3] years.
One [1] member of the Board District for a three [3] year term	of Trustees of the Mount Desert Island Regional School m.
The polls will be open from 10:00 a.m of Town Officers and referendum ballo	. until 8:00 p.m. on Tuesday, May 4, 2010 for the election ting.
	notice that the Registrar of Voters will be in the Southwest outhwest Harbor on Friday, April 30, 2010 from 9:00 a.m. cting the list of voters.
Given under our hands this 13 th day of	April, 2010.
Dorr Wilson, Chair	Ralph Dunbar, Jr.
Trudy Bickford	Kristin Hutchins

Berten Willey

Notes

Notes

TOWN OF SOUTHWEST HARBOR, MAINE

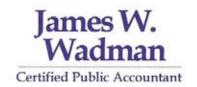
FINANCIAL STATEMENTS WITH INDEPENDENT AUDITOR'S REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2009

TOWN OF SOUTHWEST HARBOR, MAINE FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULES FOR THE FISCAL YEAR ENDED JUNE 30, 2009

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INDEPENDENT AUDITOR'S REPORT

December 1, 2009

To the Board of Selectmen Town of Southwest Harbor Southwest Harbor, Maine 04679

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Southwest Harbor, Maine, as of and for fiscal year ended June 30, 2009, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town of Southwest Harbor's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Town of Southwest Harbor Water Department, which represents 55% and 62%, respectively, of the assets and revenues of the proprietary fund types. Those statements were audited by other auditors whose report has been furnished to us. Our opinion, in so far as it relates to the amounts included for the Water Department, is based solely on the report of other auditors. The financial statements of the Town of Southwest Harbor Water Department are presented as of December 31, 2008 and for the year then ended.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Town of Southwest Harbor, Maine as of June 30, 2009, and the respective changes in financial position and cash flows, where applicable, thereof for the year ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report, dated December 1, 2009, on our consideration of the Town of Southwest Harbor's internal control over financial reporting and our test of its compliance with certain provisions of laws, regulations, contracts and grant 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages 3-6 and budgetary comparison information on page 25, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Town of Southwest Harbor's basic financial statements. The introductory section and other supplementary information are presented for purposes of additional analysis and are not a required part of the basic financial statements. The other supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Respectfully submitted,

James W. Wadman, C.P.A.

James W. Wadman, CPA

TOWN OF SOUTHWEST HARBOR, MAINE

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2009

Management of the Town of Southwest Harbor, Maine provides this Management's Discussion and Analysis of the Town's financial performance for readers of the Town's financial statements. This narrative overview and analysis of the financial activities of the Town is for the fiscal year ended June 30, 2009. We encourage readers to consider this information in conjunction with the financial statements and accompanying notes that follow.

The financial statements herein include all of the activities of the Town of Southwest Harbor, Maine (the Town) using the integrated approach as prescribed by Government Accounting Standards Board (GASB) Statement No. 34.

FINANCIAL HIGHLIGHTS - PRIMARY GOVERNMENT

Government-wide Highlights:

Net Assets – The assets of the Town exceeded its liabilities at fiscal year ending June 30, 2009 by \$13,989,279 (presented as "net assets"). Of this amount, \$2,182,917 was reported as "unrestricted net assets". Unrestricted net assets represent the amount available to be used to meet the Town's ongoing obligations to citizens and creditors.

Changes in Net Assets - The Town's total net assets increased by \$325,006 (a 2.4% increase) for the fiscal year ended June 30, 2009. Net assets of governmental activities increased by \$572,491 (a 5.4% increase), while net assets of business-type activities showed a decrease of \$247,485 (a 8.3% decrease).

Fund Highlights:

Governmental Funds – Fund Balances – As of the close of the fiscal year ended June 30, 2009, the Town's governmental funds reported a combined ending fund balance of \$2,315,345 with \$399,358 being general undesignated fund balance. This undesignated fund balance represents approximately 5.9% of the total general fund expenditures for the year.

Long-term Debt:

The Town's total long-term debt obligations decreased by \$409,082 (5.9%) during the current fiscal year. No new debt obligations were issued. Existing debt obligations were retired according to schedule.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements include three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains additional required supplementary information (budgetary comparison) and other supplementary information. These components are described below:

Government-wide Financial Statements

The Government-wide financial statements present the financial picture of the Town from the economic resources measurement focus using the accrual basis of accounting. They present governmental activities and business-type activities separately. These statements include all assets of the Town (including infrastructure) as well as all liabilities (including long-term debt). Additionally, certain elimination entries have occurred as prescribed by the statement in regards to inter-fund activity, payables and receivables.

Fund Financial Statements

The fund financial statements include statements for each of the three categories of activities – governmental, business-type and fiduciary. The governmental activities are prepared using the current financial resources measurement focus and the modified accrual basis of accounting. The business-type activities are prepared using the economic resources measurement focus and the accrual basis of accounting. Fiduciary funds are used to account for resources held for the benefit of parties outside the Town government. Fiduciary 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. Reconciliation of the fund financial statements to the Government-wide financial statements is provided to explain the differences created by the integrated approach.

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 the financial statements can be found immediately following the fund financial statements.

Required Supplementary Information

This section includes a budgetary comparison schedule, which includes a reconciliation between the statutory fund balance for budgetary purposes and the fund balance for the general fund as presented in the governmental fund financial statements (if necessary).

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Assets

The largest portion of the Town's net assets (84%) reflects its investment in capital assets such as land, buildings, equipment and infrastructure (roads, bridges and other immovable assets), less any related debt used to acquire those assets that is still outstanding. The Town uses these assets to provide services to citizens; consequently, these assets are not available for future spending. Although, the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

	Governmental Activities	Business-like Activities	Total 2009	Total 2008
Current Assets	\$ 2,920,305	\$ 480,237	\$ 3,400,542	\$ 2,974,406
Capital Assets	\$12,962,731	\$ 5,404,777	\$18,367,507	\$18,619,006
Total Assets	\$15,883,036	\$ 5,885,014	\$21,768,049	\$21,593,412
Current Liabilities	\$ 709,988	\$ 163,821	\$ 873,809	\$ 1,279,836
Other Liabilities	\$ 3,919,116	\$ 2,985,844	\$ 6,904,962	\$ 6,649,301
Net Assets;				
Invested in Capital Assets	\$ 8,778,223	\$ 3,028,138	\$11,806,362	\$11,607,081
Restricted	\$ 0	\$ 0	\$ 0	\$ 0
Unrestricted	\$ 2,475,707	\$ (292,789)	\$ 2,182,917	\$ 2,057,192
Total Liabilities and Net Assets	\$15,883,036	\$ 5,885,014	\$21,768,049	\$21,593,412

Changes in Net Assets

Approximately 83 percent of the Town's total revenue came from property and excise taxes, approximately 3 percent came from State subsidies and grants, and approximately 14 percent came from services, investment earnings and other sources. Depreciation expense on the Town's governmental and business-like activity assets represents \$695,621 of the total expenses for the fiscal year.

	Governmental Activities	Business-like Activities	Total 2009	Total 2008
Revenues;				
Tax Revenues	\$ 7,039,724	\$ 0	\$ 7,039,724	\$ 6,621,664
Program Revenues	\$ 393,749	\$ 803,584	\$ 1,197,333	\$ 1,262,406
Investments	\$ 51,340	\$ 149	\$ 51,489	\$ 97,138
Revenue Sharing	\$ 99,834	\$ 0	\$ 99,834	\$ 110,839
Other	\$ 87,682	\$ 4,888	\$ 92,570	\$ 104,641
Total Revenues	\$ 7,672,329	\$ 808,620	\$ 8,480,949	\$ 8,196,689
Expenses;				
General Government	\$ 469,877	\$ 0	\$ 469,877	\$ 441,355
Protection	\$ 1,002,972	\$ 0	\$1,002,972	\$ 964,813
Health/Sanitation	\$ 351,304	\$ 0	\$ 351,304	\$ 365,410
Transportation	\$ 632,105	\$ 0	\$ 632,105	\$ 600,729
Education	\$ 4,094,103	\$ 0	\$ 4,094,103	\$ 3,840,161
Unclassified	\$ 214,131	\$ 0	\$ 214,131	\$ 239,014
Assessments and Debt Service	\$ 335,346	\$ 0	\$ 335.346	\$ 329,699
Water System	\$ 0	\$ 499,686	\$ 499,686	\$ 469,863
Sewer System	\$ 0	\$ 556,419	\$ 556,419	\$ 563,119
Total Expenses	\$ 7,099,838	\$ 1,056,105	\$ 8,155,943	\$ 7,814,162
Changes in Net Assets	\$ 572,491	\$ (247,485)	\$ 325,006	\$ 382,528

FINANCIAL ANALYSIS OF THE TOWN'S INDIVIDUAL FUNDS

Governmental Funds

The focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the Town's financing requirements. In particular, undesignated fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the fiscal year, the Town's governmental funds reported ending fund balances of \$2,315,345, an increase of \$321,903 in comparison with the prior year. Approximately 17.2 percent of this total amount constitutes undesignated fund balance. The remainder is reserved to indicate that it is not available for spending because it has been committed to liquidate contracts and commitments of the prior fiscal year or for a variety of other purposes.

Proprietary Funds

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

CAPITAL ASSET ADMINISTRATION

Capital Assets

The Town's investment in capital assets for its governmental and business-like activities amounts to \$29,163,454, net of accumulated depreciation of \$10,795,947, leaving a net book value of \$18,367,507. Current year additions include \$46,821 of work on the new police department,\$10,721 of salt/sand shed building improvements, \$8,950 of building improvements, \$65,895 for a school bus, \$20,029 for school playground equipment, \$23,021 police department vehicle, \$5,130 for dispatch software, \$20,458 of lower town dock extension, \$28,934 for harbor master boat, \$5,908 of float repairs, \$31,768 for general ledger software, \$8,835 for fire truck repairs, \$6,990 for fire department equipment, \$94,412 of infrastructure work on roads and sidewalks, \$2,127 of water department additions and \$37,930 of sewer additions for sewer plant equipment. There was one asset retirement of a school department bus that was traded in on a new bus. The old bus was fully depreciated.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Town's finances for all citizens, taxpayers, investors and creditors. This financial report seeks to demonstrate the Town's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to: Town of Southwest Harbor, P.O. Box 745, Southwest Harbor, ME 04679.

TOWN OF SOUTHWEST HARBOR, MAINE STATEMENT OF NET ASSETS JUNE 30, 2009

5 C. 1.2. S. 0, 2007	Governmental Activities	Business-Type Activities	Total
Assets	Activities	Activities	Total
Cash and Cash Equivalents	\$253,711	\$103,502	\$357,213
Investments at Fair Market Value	\$1,531,358	\$0	\$1,531,358
Accounts Receivable - Net of Bad Debt Provision	\$80,152	\$241,162	\$321,314
Inventory of Materials and Supplies	\$6,254	\$4,247	\$10,501
Accrued Revenue	\$0	\$33,419	\$33,419
Deferred Charges	\$1,500	\$91,137	\$92,637
Due from Other Funds	\$802,443	\$6,770	\$809,213
Property Taxes Receivable	\$41,387	\$0	\$41,387
Tax Liens and Tax Acquired Property	\$203,500	\$0	\$203,500
Capital Assets, net of Accumulated Depreciation	\$12,962,731	\$5,404,777	\$18,367,507
Total Assets	\$15,883,036	\$5,885,014	\$21,768,049
Liabilities and Net Assets			
<u>Liabilities</u>			
Obligation Under Contracted Salaries	\$184,902	\$0	\$184,902
Prepaid Property Taxes	\$16,309	\$0	\$16,309
Accounts Payable	\$182,702	\$45,811	\$228,513
Accrued Interest	\$0	\$11,145	\$11,145
Due to Other Funds	\$8,197	\$694,319	\$702,517
Compensated Absences	\$52,487	\$21,752	\$74,239
Bonds and Notes Payable			
Due within one year	\$326,075	\$106,865	\$432,940
Due in more than one year	\$3,858,432	\$2,269,773	\$6,128,206
Total Liabilities	\$4,629,105	\$3,149,665	\$7,778,770
Net Assets			
Investment in Capital Assets, net of Related Debt	\$8,778,223	\$3,028,138	\$11,806,362
Unrestricted	\$2,475,707	(\$292,789)	\$2,182,917
Total Net Assets	\$11,253,930	\$2,735,349	\$13,989,279
Total Liabilities and Net Assets	\$15,883,036	\$5,885,014	\$21,768,049

The Notes to the Financial Statements are an Integral Part of this Statement.

TOWN OF SOUTHWEST HARBOR, MAINE STATEMENT OF ACTIVITIES FOR THE FISCAL YEAR ENDED JUNE 30, 2009

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		Program Revenues	venues	Net (Expense)	Net (Expense) Kevenue and Changes in Net Assets	et Assets
Functions/Programs		Charges for	Operating	Governmental	Dusiness-1ype	
Primary Government	Expenses	Services	Grants	Activities	Activities	Total
Governmental Activities						
General Government	\$469,877	\$38,887		(\$430,990)		(\$430,990)
Protection	\$1,002,972	\$27,348		(\$975,624)		(\$975,624)
Health & Sanitation	\$351,304	\$57,707		(\$293,597)		(\$293,597)
Transportation	\$632,105	\$75,505	\$19,812	(\$536,788)		(\$536,788)
Education	\$4,094,103	\$31,274	\$143,216	(\$3,919,613)		(\$3,919,613)
Unclassified	\$214,131			(\$214,131)		(\$214,131)
Assessments and Debt Service	\$335,346			(\$335,346)		(\$335,346)
Total Governmental Activities	\$7,099,838	\$230,721	\$163,028	(\$6,706,089)	80	(\$6,706,089)
Business Type Activities Sewer Department	\$556.419	\$301,452			(\$254,967)	(\$254,967)
Water Department	\$499,686	\$502,132			\$2,446	\$2,446
Total Business-Type Activities	\$1,056,105	\$803,584	80	80	(\$252,521)	(\$252,521)
Total Primary Government	\$8,155,943	\$1,034,305	\$163,028	(\$6,706,089)	(\$252,521)	(\$6,958,610)
General Revenues Tax Revenues				\$6,658,658		\$6.658.658
Excise Taxes				\$342,982		\$342,982
State Revenue Sharing				\$99,834		\$99,834
Investment Earnings				\$51,340	\$149	\$51,489
Interest on Delinquent Taxes				\$38,084		\$38,084
Water and Sewer Management Fees				\$20,010		\$20,010
Permits, Fees and Other Revenues				\$67,672	\$4,888	\$72,560
Total Revenues and Transfers				\$7,278,580	\$5,036	\$7,283,616
Changes in Net Assets				\$572,491	(\$247,485)	\$325,006
Net Assets - Beginning				\$10,681,440	\$2,982,834	\$13,664,274
Net Assets - Ending				\$11,253,930	\$2,735,349	\$13,989,279

The Notes to the Financial Statements are an Integral Part of this Statement.

Assets	General Fund	Special Revenue Funds	Capital Projects Fund	Total Governmental Funds
Cash and Cash Equivalents	\$32,826	\$213,201	\$7,684	\$253,711
Investments at Fair Market Value	\$1,478,170	\$53,189	47,00	\$1,531,358
Accounts Receivable - Net of Bad Debt Provision	\$76,221	\$3,931		\$80,152
Inventory of Materials and Supplies	\$4,190	\$2,064		\$6,254
Deferred Charges	\$1,500			\$1,500
Due From Other Funds	\$802,443	\$842,049		\$1,644,492
Property Taxes Receivable	\$41,387	***************************************		\$41,387
Tax Liens and Tax Acquired Property	\$203,500			\$203,500
Total Assets	\$2,640,236	\$1,114,434	\$7,684	\$3,762,354
Liabilities & Fund Balances				
Liabilities;				
Obligation Under Contracted Salaries	\$184,902			\$184,902
Prepaid Property Taxes	\$16,309			\$16,309
Accounts Payable	\$169,882	\$12,820		\$182,702
Due to Other Funds	\$850,246			\$850,246
Deferred Revenues	\$212,849			\$212,849
Total Liabilities	\$1,434,188	\$12,820	\$0	\$1,447,008
Fund Balance;				
Designated for Subsequent Years Expenditures	\$198,883	\$1,101,614	\$7,684	\$1,308,182
Restriction due to Non-Current Assets	\$607,805			\$607,805
Undesignated Fund Balance	\$399,358			\$399,358
Total Fund Balances	\$1,206,047	\$1,101,614	\$7,684	\$2,315,345
Total Liabilities & Fund Balances	\$2,640,236	\$1,114,434	\$7,684	\$3,762,354
<u>Total Fund Balance - Governmental Funds</u> Net assets reported for governmental activities in the because:	e statement of nets	assets are different		\$2,315,345
Capital assets used in governmental activities are no not reported in the funds	t financial resource	es and therefore are		\$12,962,731
Delinquent taxes are recognized as revenue in the pe wide financial statements, but are reported as defer funds		이 문지 한 경험에는 하면 되면 살았다면서 모임하면 되었다.		\$212,849
Some liabilities are not due and payable in the curre in the funds, including:	nt period and there	fore, are not reported		Jane 1
Bonds Payable				(\$4,184,507)
Compensated Absences				(\$52,487)
Net Assets of Governmental Activities				\$11,253,930

The Notes to the Financial Statements are an Integral Part of this Statement.

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	General	Special Revenue	Capital Projects	Total Governmental
Revenues;	Fund	Funds	Fund	Funds
Tax Revenues	\$6,630,713		and the second second second	\$6,630,713
Local Road Assistance		\$19,812		\$19,812
Excise Taxes	\$342,982			\$342,982
State Revenue Sharing		\$99,834		\$99,834
Investment Earnings	\$37,733	\$13,473	\$134	\$51,340
Interest on Delinquent Taxes	\$38,084			\$38,084
Docks & Floats	\$70,790			\$70,790
Water & Sewer Management Fees	\$20,010			\$20,010
Solid Waste Revenue	\$57,707			\$57,707
Permits, Fees & Other Revenues	\$112,053	\$90,379		\$202,432
Total Revenues	\$7,310,072	\$223,498	\$134	\$7,533,704
Expenditures (Net of Governmental Revenues);				
General Government	\$458,632	\$2,258		\$460,889
Protection	\$913,244	\$4,879	\$1,650	\$919,773
Health & Sanitation	\$351,304		100-0-000	\$351,304
Transportation	\$370,552	\$4,020		\$374,572
Education	\$3,987,691	\$112,086		\$4,099,777
Unclassified	\$178,839	\$22,326		\$201,165
Assessments and Debt Service	\$400,346	350005000		\$400,346
Capital Outlay, net of Retirements	\$116,603	\$287,371		\$403,975
Total Expenditures	\$6,777,211	\$432,940	\$1,650	\$7,211,801
Excess Revenues Over Expenditures	\$532,860	(\$209,442)	(\$1,515)	\$321,903
Other Financing Sources (Uses);				
Operating Transfers In	\$221,873	\$573,019	\$0	\$794,892
Operating Transfers Out	(\$573,019)	(\$221,873)	\$0	(\$794,892)
Total Other Financing Sources (Uses)	(\$351,146)	\$351,146	\$0	\$0
Excess Revenues and Other Sources				
Over Expenditures and Other Uses	\$181,715	\$141,704	(\$1,515)	\$321,903
Beginning Fund Balances	\$1,024,333	\$959,910	\$9,200	\$1,993,442
Ending Fund Balances	\$1,206,047	\$1,101,614	\$7,684	\$2,315,345
Reconciliation to Statement of Activities, change in N	let Assets			
Net Change in Fund Balances - Above				\$321,903
Delinquent taxes are recognized as revenue in the	period for which levied in the	government-wide financ	cial statements, but are	
recorded as deferred revenue (a liability) in gover	rnmental funds			\$27,945
			and therefore are not	
Some expenses reported in the statement of activit		irrent financial resources	and meretore are not	
Some expenses reported in the statement of activit reported as expenditures in governmental funds -	Compensated Absences			(\$7,260)
Some expenses reported in the statement of activit reported as expenditures in governmental funds - Bond proceeds provide current financial resources	Compensated Absences to Governmental Funds, but is	ssuing debt increases los	ng-term liabilities in the	(\$7,260)
Some expenses reported in the statement of activit reported as expenditures in governmental funds - Bond proceeds provide current financial resources Government-Wide Statement of Net Assets. Rep	- Compensated Absences s to Governmental Funds, but is payment of bond principal is an	ssuing debt increases lo	ng-term liabilities in the	(\$7,260)
Some expenses reported in the statement of activity reported as expenditures in governmental funds - Bond proceeds provide current financial resources Government-Wide Statement of Net Assets. Reprepayment reduces long-term liabilities in the Go	Compensated Absences to Governmental Funds, but it payment of bond principal is an overnment-Wide Statement of I	ssuing debt increases lo	ng-term liabilities in the	802-01-00
Some expenses reported in the statement of activit reported as expenditures in governmental funds - Bond proceeds provide current financial resources Government-Wide Statement of Net Assets. Rep repayment reduces long-term liabilities in the Go This amount represents long-term debt payment	- Compensated Absences s to Governmental Funds, but is payment of bond principal is an overnment-Wide Statement of I	ssuing debt increases lor expenditure in Governa Net Assets	ng-term liabilities in the mental Funds, but the	(\$7,260) \$326,050
Some expenses reported in the statement of activit reported as expenditures in governmental funds - Bond proceeds provide current financial resources Government-Wide Statement of Net Assets. Rep repayment reduces long-term liabilities in the Go This amount represents long-term debt paymen Governmental funds report capital outlays as expe	- Compensated Absences is to Governmental Funds, but it payment of bond principal is an overnment-Wide Statement of I ats enditures, while in the Statemen	ssuing debt increases lor expenditure in Governa Net Assets	ng-term liabilities in the mental Funds, but the	\$326,050
Some expenses reported in the statement of activit reported as expenditures in governmental funds - Bond proceeds provide current financial resources Government-Wide Statement of Net Assets. Reprepayment reduces long-term liabilities in the Go This amount represents long-term debt paymen Governmental funds report capital outlays as expendilocated over the estimated useful lives as depre	- Compensated Absences is to Governmental Funds, but it payment of bond principal is an overnment-Wide Statement of I ats anditures, while in the Statement ociation expense	ssuing debt increases los n expenditure in Governa Net Assets nt of Activities, the cost	ng-term liabilities in the mental Funds, but the of those assets is	
Some expenses reported in the statement of activit reported as expenditures in governmental funds - Bond proceeds provide current financial resources Government-Wide Statement of Net Assets. Reprepayment reduces long-term liabilities in the Go This amount represents long-term debt payment Governmental funds report capital outlays as expendicated over the estimated useful lives as depre Depreciation expense on capital assets is reported	- Compensated Absences is to Governmental Funds, but it begins and both principal is an overnment-Wide Statement of I ats anditures, while in the Statement ociation expense in the Government-Wide State	ssuing debt increases lost in expenditure in Government Assets at of Activities, the cost ement of Activities, but t	ng-term liabilities in the mental Funds, but the of those assets is hey do not require the	\$326,050
Some expenses reported in the statement of activit reported as expenditures in governmental funds - Bond proceeds provide current financial resources Government-Wide Statement of Net Assets. Reprepayment reduces long-term liabilities in the Go This amount represents long-term debt paymen Governmental funds report capital outlays as expendilocated over the estimated useful lives as depre	- Compensated Absences is to Governmental Funds, but it begins and both principal is an overnment-Wide Statement of I ats anditures, while in the Statement ociation expense in the Government-Wide State	ssuing debt increases lost in expenditure in Government Assets at of Activities, the cost ement of Activities, but t	ng-term liabilities in the mental Funds, but the of those assets is hey do not require the	

The Notes to the Financial Statements are an Integral Part of this Statement.

JUNE 30, 2009

	Water Fund	Sewer Fund	Total Proprietary Funds
Assets			
Current Assets			
Cash and Cash Equivalents	\$28,954	\$74,548	\$103,502
Accounts Receivable - Net of Bad Debt Provision	\$130,719	\$110,443	\$241,162
Inventory of Materials and Supplies	\$4,247	\$0	\$4,247
Accrued Revenue	\$33,419	\$0	\$33,419
Deferred Charges	\$91,137	\$0	\$91,137
Due from General Fund	\$0	\$6,770	\$6,770
Total Current Assets	\$288,476	\$191,761	\$480,237
Non-Current Assets			
Utility Plant, net of Accumulated Depreciation	\$2,976,682	\$2,428,095	\$5,404,777
Total Non-Current Assets	\$2,976,682	\$2,428,095	\$5,404,777
Total Assets	\$3,265,158	\$2,619,856	\$5,885,014
Liabilities and Net Assets			
<u>Liabilities</u>			
Current Liabilities			
Accounts Payables	\$30,102	\$15,709	\$45,811
Accrued Interest	\$11,145	\$0	\$11,145
Current Portion of Long-Term Debt	\$76,552	\$30,313	\$106,865
Due to General Fund	\$272,065	\$422,254	\$694,319
Total Current Liabilities	\$389,864	\$468,276	\$858,140
Non-Current Liabilities			
Bonds and Notes Payable, net of Current Portion	\$1,061,926	\$1,207,847	\$2,269,773
Total Non-Current Liabilities	\$1,061,926	\$1,207,847	\$2,269,773
Total Liabilities	\$1,451,790	\$1,676,123	\$3,127,913
Net Assets			
Investment in Capital Assets, net of related debt	\$1,838,204	\$1,189,934	\$3,028,138
Unrestricted (Deficit)	(\$24,836)	(\$246,202)	(\$271,038)
Total Net Assets	\$1,813,368	\$943,733	\$2,757,101
Total Liabilities and Net Assets	\$3,265,158	\$2,619,856	\$5,885,014
Total Fund Balance - Governmental Funds Net assets reported for governmental activities in the stablecause:			\$2,757,101
Some liabilities are not due and payable in the current p- in the funds, including compensated absences	eriod and therefore, are not rep	orted	(\$21.752)
Net Assets of Governmental Activities			(\$21,752) \$2,735,349
The Assets of Governmental Activities			\$4,733,349

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES

IN FUND NET ASSETS - PROPRIETARY FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	Water Fund	Sewer Fund	Total Proprietary Funds
Operating Revenues	Trutter I area	Derrer 1 aria	T arras
Charges for Services	\$502,132	\$301,452	\$803,584
Other Revenues	\$907	\$3,981	\$4,888
Total Operating Revenues	\$503,039	\$305,433	\$808,472
Operating Expenses			
Consulting	\$29,675	\$0	\$29,675
Salaries & Benefits	\$175,176	\$201,204	\$376,380
Utilities	\$56,367	\$71,009	\$127,376
Purification and Sludge Disposal	\$0	\$32,421	\$32,421
Repairs & Maintenance	\$65,513	\$33,617	\$99,130
Depreciation and Amortization	\$60,724	\$134,775	\$195,499
Office Supplies	\$0	\$3,029	\$3,029
Transportation	\$5,553	\$482	\$6,035
Insurance	\$12,860	\$3,946	\$16,806
Legal & Audit	\$3,300	\$3,260	\$6,560
Miscellaneous	\$22,273	\$5,348	\$27,621
Administrative Fees	\$10,000	\$10,000	\$20,000
Total Operating Expenses	\$441,441	\$499,090	\$940,531
Operating Profit	\$61,598	(\$193,658)	(\$132,060)
Non-Operating Revenues (Expenses)			
Interest Earned	\$69	\$80	\$149
Interest Expense	(\$60,281)	(\$57,978)	(\$118,259)
Total Non-Operating Revenues (Expenses)	(\$60,212)	(\$57,898)	(\$118,110)
Changes in Net Assets	\$1,386	(\$251,556)	(\$250,170)
Net Assets - Beginning	\$1,811,982	\$1,195,288	\$3,007,270
Net Assets - Ending	\$1,813,368	\$943,733	\$2,757,101
Reconciliation to Statement of Activities, change in N Net Change in Fund Balances - Above		urrent financial recourses	(\$250,170)
Some expenses reported in the statement of activi and therefore are not reported as expenditures in			\$2,685
Changes in Net Assets of Governmental Activities	m a	**************************************	(\$247,485)

The Notes to the Financial Statements are an Integral Part of this Statement.

C. I. El. (A. C.	Water Fund	Sewer Fund	Total Proprietary Funds
Cash Flows from Operating Activities	6514.062	6224 640	0000 710
Received from Customers	\$514,062	\$324,648	\$838,710
Payments to Suppliers for Goods and Services	(\$171,782)	(\$162,143)	(\$333,925)
Payments to Employees for Services	(\$175,176)	(\$21,534)	(\$196,710)
Cash Flows from Operations	\$167,104	\$140,971	\$308,075
Cash Flows from Investing Activities			
Interest Earned	\$69	\$80	\$149
Cash Flows from Investing Activities	\$69	\$80	\$149
Cash Flows from Financing Activities			
Acquisition and Construction of Fixed Assets	(\$2,217)	(\$37,930)	(\$40,147)
Debt Retired	(\$93,626)	(\$31,103)	(\$124,729)
Interest Paid	(\$60,281)	(\$57,978)	(\$118,259)
Cash Flows from Financing Activities	(\$156,124)	(\$127,011)	(\$283,135)
Net Cash Flow	\$11,049	\$14,040	\$25,089
Beginning Cash Balance	\$17,905	\$60,508	\$78,413
Ending Cash Balance	\$28,954	\$74,548	\$103,502
Reconciliation of Operating Income (Loss) to Net Cash fro	om Operating Activities		
Operating Income (Loss)	\$61,598	(\$193,658)	(\$132,060)
Adjustments to Reconcile Operating Income to			
Net Cash Provided by Operating Activities			
Depreciation	\$60,724	\$134,775	\$195,499
Bad Debt Allowance	\$0	\$3,968	\$3,968
Changes in Assets and Liabilities			
Receivables, net	\$35,349	\$15,248	\$50,597
Inventory	\$1,061	\$0	\$1,061
Accrued Revenue	(\$23,419)	\$0	(\$23,419)
Deferred Charges	(\$38,429)	\$0	(\$38,429)
Accounts Payable	\$70,220	\$180,639	\$250,859
Cash Flows from Operations	\$167,104	\$140,971	\$308,075

The Notes to the Financial Statements are an Integral Part of this Statement.

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	TATEMENT OF NET ASSETS - FIDUCIARY FUNDS	
NE.	ARY	
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CIE	OF.	
OWN OF SOUTHWEST HARBOR, MAINE	ENT	
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					Agency Funds	Funds	Total
	Dickey Fund	Johnson Fund	Student Activities	Peder Fick Scholarship	General Trust	Cemetery Trust	Fiduciary Funds
Assets Cash and Cash Equivalents Investments at Fair Market Value	\$26,688	\$90,027	\$8,459	\$4,311	\$32,127	\$112,224	\$102,798
Total Assets	\$26,688	\$90,027	\$8,459	\$4,311	\$32,127	\$112,224	\$273,837
Net Assets Reserve for Endowments Unrestricted	\$26,688	\$90,027	\$8,459	\$4,311	\$32,127	\$112,224	\$90,027
Total Net Assets	\$26,688	\$90,027	\$8,459	\$4,311	\$32,127	\$112,224	\$273,837

The Notes to the Financial Statements are an Integral Part of this Statement.

TOWN OF SOUTHWEST HARBOR, MAINE
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

					Agency Funds	Funds	Total
	Dickey Fund	Johnson Fund	Student Activities	Peder Fick Scholarship	General	Cemetery Trust	Fiduciary Funds
Additions Trust Fund Income		\$26,966	CO 8 452			,	\$26,966
Investment Earnings	\$479	\$342	07070	\$27	\$99\$	\$7,671	\$9,187
Total Additions	\$479	\$27,308	\$28,453	\$27	8998	\$7,671	\$64,606
Reductions Miscellaneous Perpetual Care School Activities Transfer to General Fund	57,927	\$19,515	\$26,927		\$16,131	\$875	\$24,933 \$4,225 \$46,442 \$0
Total Reductions	\$7,927	\$19,515	\$26,927	80	\$16,131	\$5,100	\$75,599
Change in Net Assets	(\$7,448)	\$7,793	\$1,526	\$27	(\$15,463)	\$2,571	(\$10,994)
Beginning Net Assets	\$34,136	\$82,234	\$6,933	\$4,285	\$47,590	\$109,653	\$284,831
Ending Net Assets	\$26,688	\$90,027	\$8,459	\$4,311	\$32,127	\$112,224	\$273,837
	:						

The Notes to the Financial Statements are an Integral Part of this Statement.

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TOWN OF SOUTHWEST HARBOR, MAINE NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2009

Note 1 - Summary of Significant Accounting Policies

The financial statements of the Town of Southwest Harbor, Maine (the Town) have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to governmental units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for the governmental accounting and financial reporting principles. The more significant of the Town's accounting principles are described below.

A. Financial Reporting Entity

The Town of Southwest Harbor, Maine operates under a Town Manager/Selectmen form of government. The Town's major operations include administrative services, police and fire protection, health and sanitation, highways and bridges and education. In addition, the Town exercises sufficient control over other governmental units that are included as part of the Town's reporting entity. The Town of Southwest Harbor Sewer and Water Department's are separate departments of the Town of Southwest Harbor, Maine. These departments are included in the basic financial statements in the proprietary fund. The Town's basic financial statements include all Town operations. Control or dependence is determined on the basis of budget adoption, taxing authority, funding and the appointment of the respective governing board.

In June 1999, GASB issued Statement No. 34, "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments". This statement, known as the "Reporting Model" statement affects the way the Town prepares and presents financial information. State and local governments traditionally have used a financial reporting model substantially different from the one used to prepare private-sector financial reports.

GASB Statement No. 34 established new requirements and a new reporting model for the annual financial reports of state and local governments. The Statement was developed to make annual reports easier to understand and more useful to the people who use governmental financial information to make decisions and includes:

Management's Discussion and Analysis

GASB Statement No. 34 requires that financial statements be accompanied by a narrative introduction and analytical overview of the government's financial activities in the form of "management's discussion and analysis" (MD & A). This analysis is similar to analysis the private sector provides in their annual reports.

Government-wide Financial Statements

The reporting model includes financial statements prepared using full accrual accounting for all of the government's activities. This approach includes not just current assets and liabilities (such as eash and accounts payable) but also capital assets and long-term liabilities (such as buildings and infrastructure, including bridges and roads, and general obligation debt). Accrual accounting also reports all of the revenues and cost of providing services each year, not just those received or paid in the current year or soon thereafter.

Statement of Net Assets

The Statement of Net Assets is designed to display the financial position of the primary government (government and business-type activities). Governments report all capital assets, including infrastructure, in the government-wide Statement of Net Assets and report depreciation expense - the cost of "using up" capital assets - in the Statement of Activities. The net assets of a government will be broken down into three categories - 1) invested in capital assets, net of related debt, 2) restricted and 3) unrestricted.

Statement of Program Activities

The government-wide statement of activities reports expenses and revenues in a format that focuses on the cost of each of the government's functions. The expense of individual functions is compared to the revenues generated directly by the function (for example, through user charges or intergovernmental grants).

Budgetary Comparison Schedules

Demonstrating compliance with the adopted budget is an important component of a government's accountability to the public. Many citizens participate in the process of establishing the annual operating budgets of state and local governments, and have a keen interest in following the actual financial progress of their governments over the course of the year. The Town and many other governments may revise their original budgets over the course of the year for a variety of reasons. Under GASB Statement No. 34, governments continue to provide budgetary comparison information in their annual reports. GASB Statement No. 34 requires that the Town add the original budget to the current comparison of the final budget and actual results.

B. Fund Accounting

The accounts of the Town are organized and operated using funds. A fund is an independent fiscal and accounting entity with a set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements.

Funds are classified into the following categories: governmental, proprietary and fiduciary.

Governmental funds are used to account for all or most of the Town's general activities, including the collection and disbursement of earmarked monies (special revenue funds) and the servicing of general long-term debt (debt service fund). The General Fund is used to account for all activities of the general government not accounted in some other fund.

Proprietary funds are established to account for activities for which a fee is charged to external or internal users for goods or services. Their reporting focuses on the determination of operating income and changes in net assets. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other agencies primarily within the Town (internal service funds). The Enterprise Fund accounts for the operation of the Sewer Utility and the Water Department.

Fiduciary funds are used to account for assets held in a trustee or agency capacity for others and therefore cannot be used to support the Town's own programs.

C. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e. the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the Town. The effect of material interfund activity has been eliminated from these statements. Governmental activities, which normally are supported by taxes and various intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function, segment, or program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly from goods, services or privileges provided by a given function or segment and 2) grants and standard revenues that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The Town reports the following major governmental funds:

The general fund is the Town's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

The capital projects fund is used to account for financial resources to be used for the acquisition of construction of major capital assets or facilities. A capital projects fund is usually established when the acquisition or construction of the capital project extends beyond a single fiscal year and the capital asset is financed by specifically designated resources, such as general obligation bonds and grants.

The Town reports the following major proprietary funds:

The sewer fund accounts for the activities of the sewerage operations. The Town operates the sewer collection system and related administrative costs.

The water fund accounts for the activities of the water department operations. The Town operates the water department facility and related administrative costs.

Additionally, the Town reports the following fund types:

Private purpose trust funds account for monies held in trust by the Town, the investment earnings from which may only be used for the operation of the program.

D. Basis of Accounting, Measurement Focus and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues and additions are recorded when earned and expenses and deductions are recorded when a liability is incurred. Property taxes are recognized as revenues in the year for which they are levied (i.e. intended to finance). Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when the fund liability is incurred. However, debt service expenditures are recorded only when payment is due.

Property taxes, charges for services and interest associated with the current fiscal period are all considered to be susceptible to accrual and are recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Town.

The Town reports deferred revenue on its governmental fund financial statements. Deferred revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received by the Town before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the Town has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and the revenue is recognized.

E. Budgetary Accounting

Formal budgetary accounting is employed as a management control for the general fund only. Annual operating budgets are adopted each fiscal year by the registered voters of the Town at their annual Town meeting. Budgets are established in accordance with generally accepted accounting principles. Budgetary control is exercised at the selectmen level, since individual department heads do not exist. All unencumbered budget appropriations lapse at the end of the year unless specifically designated by the Board of Selectmen or required by law.

F. Cash Equivalents

For purposes of the Statement of Cash Flows, the proprietary funds and similar trust funds consider cash equivalents to be liquid investments with maturities of 6 months or less. Cash and cash equivalents are held in interest bearing checking accounts, short-term certificates of deposit and savings accounts.

G. Investments

Investments are stated at fair market value.

H. Accounts Receivable

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

I. Inventories

Inventories of the governmental funds are accounted for using the consumption method. Under this method, inventories are recorded as expenditures when used.

J. Interfund Transactions

Interfund receivables and payables arise from interfund transactions and are recorded by all funds effected in the period in which transactions are executed.

K. Capital Assets

Capital assets, which property, plant, equipment and infrastructure (e.g. roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than \$5,000 and an estimated useful in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the asset constructed. Property, plant and equipment is depreciated using the straight line method over the following estimated useful lives:

Assets	Years
Buildings	50
Infrastructure	30-50
Sewer Lines	40
Equipment	4-20

Depreciation of exhaustible fixed assets used by the enterprise funds is charged as an expense against operations and accumulated depreciation is reported on the enterprise fund balance sheet. Depreciation on assets acquired with contributions in aid to construction is charged to the contributions is aid to construction account. An offsetting credit is made to the depreciation expense account which is charged as an expense against operations.

L. Accumulated Unpaid Vacation and Sick Leave

Employees are granted vacation and sick leave in varying amounts based on length of service. Vacation pay is cumulative to 25 days and sick leave is cumulative to 60 days. Unused vacation days are payable to employees upon termination of employment. The value of the unpaid vacation pay and sick pay has been recorded on the government-wide financial statements as compensated absences. School Department employees are granted compensated leave as per their negotiated contracts.

M. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type financial statements. In the fund financial statements, governmental fund types recognize the face amount of debt issued as other financing sources and debt retired as an expenditure.

N. Fund Balances / Net Assets

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. In the government-wide financial statements, restricted net assets are legally restricted by outside parties for a specific purpose.

O. Reporting Periods

Transactions between the Town and Water Department have resulted in inconsistencies in the amounts reported as due from/due to on the financial statements. The financial statements of the Water Department are reported on a December 31 year end as compared to the Town which are reported on a June 30 year end. This difference in reporting periods has resulted in a net difference of \$106,696 between the due from/due to accounts. All reporting for the Water Department is as of December 31, 2008 as compared to June 30, 2009 for all other units.

Note 2 - Cash and Equivalents

At year-end, the Town's carrying amount of deposits was \$2,197,955 and the bank balance was \$2,224,843. The Town has no uninsured and uncollateralized deposits as of June 30, 2009. Governmental Accounting Standards Board No. 40 requires the disclosure of interest rate risk as well as credit risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the Town invests in short term repurchase obligations and short term investments held by local banking institutions. As a means of limiting its exposure to credit risk, the Town follows State of Maine Statutes, which authorize the investment in deposits/investments in insured commercial banking institutions, obligations of the United States or agencies thereof.

Included in the Town's cash equivalents at June 30, 2009 were short term investments in repurchase agreements issued by a local banking institution. The agreement is guaranteed/collateralized with securities held by the banking institution in the name of the Town. To the extent that the banking institution may default on its commitment to these obligations, the Town is at risk of economic loss. In order to lessen this risk, the bank has purchased securities in the name of the Town in order to collateralize the Town's deposits in excess of the \$250,000 FDIC insurance limits.

At June 30, 2009, the Town held investments in repurchase agreements as follows:

Collateral Pledged	Amount	Interest Rate
U.S. Government Obligations	\$318,812	0.90%

Note 3 - Property Taxes

Property taxes were assessed on April 1, 2008 and committed on July 31, 2008. Interest of 11.0% per annum is charged on delinquent taxes. Tax liens are recorded on property taxes remaining unpaid twelve months after the commitment date. Tax liens unpaid for a period of eighteen months expire and the property becomes tax acquired by the Town. For governmental funds, only property taxes which are intended to finance the current fiscal year and collected within 60 days subsequent to year-end are recorded as revenue.

Note 4 - Capital Assets

Capital asset activity for the year ended June 30, 2009 was as follows:

Capital asset activity for the y	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities;				
Capital assets not				
being depreciated				
Land	\$459,693			\$459,693
Capital assets being	- 0			
depreciated				
Land Improvements	\$174,827	\$26,103		\$200,930
Buildings	\$7,196,934	\$66,492		\$7,263,426
Equipment	\$1,692,225	\$216,968	\$48,425	\$1,860,768
Infrastructure	\$10,451,934	\$94,412		\$10,546,346
Total capital assets		421,122		010,010,010
being depreciated	\$19,515,919	\$403,975	\$48,425	\$19,871,469
Less accumulated				
depreciation for				
Land Improvements	\$41,714	\$12,862		\$54,577
Buildings	\$1,280,368	\$144,540		\$1,424,908
Equipment	\$892,057	\$127,827	\$48,425	\$971,459
Infrastructure	\$4,702,596	\$214,892		\$4,917,488
Total accumulated				
depreciation	\$6,916,735	\$500,122	\$48,425	\$7,368,431
Net capital assets				47,000,101
being depreciated	\$12,599,185	(\$96,147)	\$0	\$12,503,038
Governmental Activities	012,077,100	(470,117)		Ψ12,505,050
Capital Assets, net	\$13,058,878	(\$96,147)	\$0	\$12,962,731
Capital 7135013, 7101	010,000,010	(470,111)	40	012,702,731
	Beginning	12-11/07/19	24 <u>2</u> 47000000000	Ending
	Balance	Increases	Decreases	Balance
Business-type Activities;				
Capital assets being				
depreciated				
Water System	\$4,228,055	\$2,217		\$4,230,272
Sewer System	\$4,625,182	\$37,930		\$4,663,112
Total capital assets		(THE STREET STREET STREET		No.
being depreciated	\$8,853,237	\$40,147	\$0	\$8,893,384
Less accumulated				
depreciation for				
Water System	\$1,192,866	\$60,724		\$1,253,590
Sewer System	\$2,100,243	\$134,775		\$2,235,018
Total accumulated				
depreciation	\$3,293,109	\$195,499	\$0	\$3,488,608
	10 m		(1) (1) (1) (1) (1) (1) (1) (1) (1) (1)	KI
Net capital assets				
Net capital assets being depreciated	\$5,560,128	(\$155,352)	\$0	\$5,404,777
Net capital assets being depreciated Business-type Activities	\$5,560,128	(\$155,352)	\$0	\$5,404,777

Depreciation expense was charged to functions/programs of the primary government as follows;

arta .	
Governmental	Activities
Covernmental	ACHVILLES

General Government	\$8,009
Protection	\$80,447
Education	\$143,479
Transportation, including depreciation of general infrastructure assets	\$255,220
Unclassified	\$12,967
Total Depreciation Expense - Governmental Activities	\$500,122

Note 5 - Pension Plans

Most employees of the School Department participate in the Maine State Retirement System. The Maine State Retirement System is a multiple-employer, cost sharing pension plan. Benefits provided by the Maine State Retirement System arise from employee and employer contributions determined on a statutory actuarial reserve basis.

School Department employees are eligible for normal retirement at age 60, provided that they have 25 years of service credited under the System. School Department employees over age 60 who become permanently disabled receive normal retirement benefits. School Department employees under the age of 60 who become permanently disabled receive 2/3 of their average final compensation, reduced by other forms of disability benefits received.

School Department employees contribute 7.65% of their salaries to the Retirement System while the School Department's share is the responsibility of the State of Maine. The School Department is responsible for the employer contributions for employees paid with Federal funds. The cost of these benefits is charged to the applicable Federally funded program. Employer contributions made to the pool are made by the State, at a rate of 18.76%. A financial report for the Maine State Retirement System can be obtained at Maine State Retirement System, 46 State House Station, Augusta, Maine 04333-0046.

Full time municipal employees, not covered under the Maine State Retirement System can elect to participate in Internal Revenue Code Section 401 and 457 pension plans. The plans are covered by ICMA Retirement Corporation. Employees who elect coverage under the 401 plan contribute 6% of their salary to the plan. The Town contributes 6% to the plan. Employees who elect coverage under the Section 457 plan can contribute up to \$15,500 in 2008 and \$16,500 in 2009. The Town's cost total \$22,944 for the fiscal year ended June 30, 2009.

Note 6 - Obligation Under Contracted Salaries

The Southwest Harbor School Department's teaching staff operate under contracts which are on a different fiscal year than the Town. The teacher contracts are on a September through August fiscal year as compared to a July through June fiscal year for the Town. At June 30, 2009, the Town is obligated for July and August 2009 contracted salaries and related benefits for these contracted employees. This obligation has been recorded on the basic financial statements.

Note 7 - Long-Term Debt

General obligation bonds and notes are direct obligations and pledge the full faith and credit of the Town of Southwest Harbor, Maine. The following is a summary of the Town's long-term debt transactions for the year ended June 30, 2009:

Current Year Debt Activity:	General Fund	Enterprise Funds	Total
Debt Outstanding at July 1, 2008	\$4,510,557	\$2,443,878	\$6,954,435
New Debt Issued	\$0	\$0	\$0
Retirements and repayments	(\$326,050)	(\$83,032)	(\$409,082)
Debt Outstanding at June 30, 2009	\$4,184,507	\$2,360,845	\$6,545,353

Purpose	Dated	Principal Due Annually	Interest Rate	Balance
General Long-Term Debt				
School Construction:	5/1/2000	\$261,050	5.028%-5.903%	\$3,132,600
Maine Municipal Bond Bank		540 400 00 \$4050 00 1		3-11
Legette Property Purchase:	12/6/2002	\$21,025	4.35%	\$83,907
First National Bank				
New Fire Station	5/26/2005	\$44,000	4.75%	\$968,000
Maine Municipal Bond Bank				1.00
Enterprise Funds				
Sewer Department:				
Wastewater Treatment Facility	11/17/2004	\$22,852	4.50%	\$568,083
U.S.D.A. Rural Development				M-S
Downtown Sewer Construction	11/20/2003	\$21,111	4.75%	\$514,058
U.S.D.A. Rural Development				
Downtown Sewer Construction	11/20/2003	\$6,407	4.75%	\$156,019
U.S.D.A. Rural Development				
Water Department:				
	12/9/1998	Fixed Payment	4.75%	\$583,247
U.S.D.A. Rural Development		\$55,352		
	12/9/1998	Fixed Payment	4.75%	\$312,447
U.S.D.A. Rural Development		\$26,259		
	6/20/1990	Fixed Payment	6.00%	\$226,991
U.S.D.A. Rural Development		\$31,198		
				\$6,545,353

Presented below is a summary of debt service requirements along with estimated interest:

Year	Principal	Interest	Total
2010	\$432,940	\$330,900	\$763,840
2011	\$435,844	\$325,643	\$761,487
2012	\$438,899	\$303,043	\$741,942
2013	\$442,113	\$279,504	\$721,617
2014	\$424,494	\$255,046	\$679,540
2015-2019	\$2,176,533	\$991,382	\$3,167,916
2020-2024	\$1,334,761	\$375,276	\$1,710,037
2025-2029	\$541,006	\$147,533	\$688,539
2030-2032	\$318,763	\$14,153	\$332,916
Totals	\$6,545,353	\$3,022,481	\$9,567,833

Note 8 - Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. They are classified as Due From/To Other Funds. The interfund activity within the major governmental funds are eliminated on the Statement of Net Assets, leaving the interfund activity between the general fund and the proprietary funds on the Statement of Net Assets. The balances in the Due from Other Funds and Due to Other Funds on the Statement of Net Assets are \$809,213 and \$702,517, respectively. The reason they do not offset is that the Water Department activity is as of December 31, 2008 while all other balances are as of June 30, 2009. On the Governmental Fund Balance Sheet, there is also an offsetting balance in Due from Other Funds and Due to Other Funds of \$842,049 that represents activity between the major governmental funds. All the activity represents cash activity between the general fund and the other funds.

Note 9 - Pending Litigation

According to legal counsel, there are no matters that would result in adverse losses, claims, or assessments against the Town of Southwest Harbor, Maine through the date of the audit report.

Note 10 - Disclosure of Certain Significant Risks and Uncertainties

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Note 11 -Participation in Public Entity Risk Pool

The Town participates in Public Entity Risk Pools for the purposes of Workers Compensation Insurance. The Public Entity Risk Pool is administered by the Maine Municipal Association. The Public Entity Risk Pools were established for the purposes of lowering costs for member are for developing specific programs to control losses. Member pay annual premiums to the Maine Municipal Association for the participation in the respective program.

The Town is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissior injuries to employees and natural disasters for which the Town carries municipal and commercial insurance. Based on the covera provided by this insurance, the Town is not aware of any material actual and potential claim liabilities which should be recorded at June 30, 2009.

(Exhibit X)

	Original Budget	Budget	Actual	Variance Favorable (Unfavorable)
Revenues;	07.700.100	04 700 100	04 400 710	/000 H (1)
Tax Revenues, Including Homestead Exemption	\$6,720,129	\$6,720,129	\$6,630,713	(\$89,416)
Excise Taxes	\$357,000	\$357,000	\$342,982	(\$14,018)
Interest Earned	\$25,000	\$25,000	\$37,733	\$12,733
Interest on Delinquent Taxes	\$20,000	\$20,000	\$38,084	\$18,084
Docks & Floats Rentals	\$60,750	\$60,750	\$70,790	\$10,040
Water & Sewer Department Management Fees	\$20,000	\$20,000	\$20,010	\$10
Solid Waste Revenue	\$45,000	\$45,000	\$57,707	\$12,707
Permits, Fees & Other Revenues	\$62,290	\$62,290	\$112,053	\$49,763
Total Revenues	\$7,310,169	\$7,310,169	\$7,310,072	(\$98)
Expenditures;				
General Government	\$538,365	\$538,365	\$466,550	\$71,815
Protection	\$943,995	\$943,995	\$927,209	\$16,786
Health & Sanitation	\$433,110	\$433,110	\$351,304	\$81,806
Highways & Bridges	\$376,915	\$376,915	\$399,377	(\$22,462)
Education	\$4,008,111	\$4,008,111	\$4,053,586	(\$45,475)
Unclassified	\$185,750	\$185,750	\$178,839	\$6,911
Assessments	\$457,593	\$457,593	\$400,346	\$57,247
Total Expenditures	\$6,943,839	\$6,943,839	\$6,777,211	\$166,628
Excess Revenues Over Expenditures	\$366,330	\$366,330	\$532,860	\$166,530
Other Financing Sources (Uses);				
Operating Transfers In	\$120,000	\$120,000	\$221,873	\$101,873
Operating Transfers Out	(\$486,330)	(\$486,330)	(\$573,019)	(\$86,689)
Total Other Financing Sources (Uses)	(\$366,330)	(\$366,330)	(\$351,146)	\$15,184
Excess Revenues and Other Sources				
Over Expenditures and Other Uses	\$0	\$0	\$181,715	\$181,715
Beginning Fund Balances	\$1,024,333	\$1,024,333	\$1,024,333	\$0
Ending Fund Balances	\$1,024,333	\$1,024,333	\$1,206,047	\$181,715

The Notes to the Financial Statements are an Integral Part of this Statement

TOWN OF SOUTHWEST HARBOR, MAINE SCHEDULE OF DEPARTMENTAL OPERATIONS FOR THE FISCAL YEAR ENDED JUNE 30, 2009

FOR THE FISCAL YEAR ENDED JUNE 30, 2009	JUNE 30, 2009							
	6			Trees	General	Onservation	Lapsed	1
Department	Balance	Budget	Operating Transfers In	Available	Expenditures	Uperating Transfers Out	(Overdraft)	Ending
General Government;	4		6	200 1700	040 1166	é	6	6
Administration	20	\$301,373	20	\$361,375	\$211,078	000	767,000	20
Assessing & Planning	08	\$143,225	80	\$143,225	\$132,031	\$0	\$11,194	80
Municipal Software Reserve	80	\$50,000	SO	\$50,000	80	\$50,000	\$0	80
Computer Reserve	80	\$8,650	80	\$8,650	20	\$8,650	80	\$0
Record Preservation Reserve	08	\$5,000	\$0	\$5,000	80	\$5,000	\$0	80
Municipal Offices	80	\$32,765	80	\$32,765	\$22,634	So	\$10,131	20
Municipal Building Reserve	80	\$68,000	SO	\$68,000	80	\$68,000	\$0	\$0
Buidling Renovation Reserve	80	\$13,000	80	\$13,000	\$0	\$13,000	\$0	\$0
Conservation Commission	80	\$1,000	80	\$1,000	\$807	80	\$193	80
	80	\$683,015	80	\$683,015	\$466,550	\$144,650	\$71,815	\$0
Protection;								
Fire Department	80	\$76,420	80	\$76,420	\$87,783	\$0	(\$11,363)	80
Thermal Imaging Camera Reserve	80	\$7,000	80	\$7,000	80	87,000	80	80
Dispatch Service	80	\$229,550	80	\$229,550	\$230,709	80	(\$1,159)	80
Dispatch Console Reserve	80	\$850	0\$	\$850	80	\$850	\$0	20
Dispatch Security Camera Reserve	80	\$500	80	\$500	80	\$500	\$0	\$0
Hydrant Rental	\$0	\$171,000	\$0	\$171,000	\$170,827	80	\$173	\$0
Police Protection	80	\$406,090	\$0	\$406,090	\$381,640	80	\$24,450	\$0
Police Cruiser Reserve	\$0	\$22,000	\$0	\$22,000	80	\$22,000	\$0	80
Police Station Engineering Reserve	08	\$81,000	80	\$81,000	80	\$81,000	\$0	80
Police Station Construction Reserve	80	\$20,000	0\$	\$20,000	80	\$20,000	\$0	80
Street Lights	SO	\$28,000	80	\$28,000	\$26,324	80	\$1,676	\$0
Insurance	\$0	\$32,935	\$0	\$32,935	\$29,925	20	\$3,010	\$0
	\$0	\$1,075,345	80	\$1,075,345	\$927,209	\$131,350	\$16,786	80
Health & Sanitation; Solid Waste / Recycling	0\$	\$420.000	80	\$420,000	\$338.518	0\$	\$81.482	9
Acadia Disposal District	\$0	\$13,110	\$0	\$13,110	\$12,787	80	\$323	80
	\$0	\$433,110	80	\$433,110	\$351,304	80	\$81,806	80

TOWN OF SOUTHWEST HARBOR, MAINE
SCHEDULE OF DEPARTMENTAL OPERATIONS - CONTINUED
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	Beginning Balance	Budget	Operating Transfers In	Total Available	Fund Expenditures	Operating Transfers Out	Unexpended (Overdraft)	Ending Balance
Highways & Bridges. Highway Department	80	\$278,270	08	\$278,270	\$304,129	80	(\$25,859)	80
Parking Lot Maintenance	SO	\$1,200	\$0	\$1,200	\$0	80	\$1,200	80
Highway 1 Ton Pickup Reserve	\$0	\$7,500	80	\$7,500	\$0	\$7,500	80	80
Highway #1 Plow Truck Reserve	80	\$7,665	80	\$7,665	\$0	\$7,665	80	80
Highway #2 Plow Truck Reserve	80	\$7,665	80	\$7,665	\$0	\$7,665	80	80
Highway Loader Reserve	80	\$35,000	80	\$35,000	\$0	\$35,000	80	20
Highway Garage Reserve	80	\$5,000	80	\$5,000	\$0	\$5,000	80	20
Road Projects Reserve	80	\$120,000	\$0	\$120,000	\$0	\$120,000	80	80
Sidewalks Projects Reserve	80	\$10,000	80	\$10,000	\$0	\$10,000	80	20
Docks & Floats	80	\$97,445	80	\$97,445	\$95,248	80	\$2,197	20
Harbor Master Boat Motor Reserve	80	\$5,000	\$0	\$5,000	\$0	\$5,000	80	80
Manset Float Reserve	80	\$2,500	80	\$2,500	\$0	\$2,500	80	\$0
Lower Town Dock Pier Reserve	\$0	\$10,000	\$0	\$10,000	\$0	\$10,000	80	20
	\$0	\$587,245	80	\$587,245	\$399,377	\$210,330	(\$22,462)	\$0
Education.								
Elementary School	\$227,732	\$2,956,492	20	\$3,184,224	\$2,985,341	20	So	\$198,883
School Union #98	\$0	\$1,051,619	80	\$1,051,619	\$1,051,619	80	80	80
	\$227,732	\$4,008,111	SO	\$4,235,843	\$4,036,960	\$0	80	\$198,883
Assessments and Debt Service;								
New Fire Station Debt	80	\$50,050	80	\$90,050	\$90,047	80	\$3	80
Legette Property Bond	80	\$26,500	80	\$26,500	\$25,573	80	\$927	80
Overlay	\$0	\$56,317	80	\$56,317	80	80	\$56,317	\$0
Hancock County Taxes	80	\$284,726	\$0	\$284,726	\$284,726	\$0	80	\$0
	\$0	\$457,593	\$0	\$457,593	\$400,346	80	\$57,247	\$0

TOWN OF SOUTHWEST HARBOR, MAINE
SCHEDULE OF DEPARTMENTAL OPERATIONS - CONTINUED
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

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FOR THE FISCAL YEAR ENDED JUNE 50, 2009 Beginning Department Balance	Beginning Balance	Budget	Operating Transfers In	Total Available	General Fund Expenditures	Operating Transfers Out	Lapsed Unexpended (Overdraft)	Ending Balance
Unclassified;	S	000 13	8	00013	06430	S	0238	ç
Board of Appeals	000	000,18	000	\$1,000	05430	00	0/28	200
Harbor Committee	08	\$500	So	\$500	80	OS.	\$500	80
Planning Board	80	\$3,000	80	\$3,000	\$1,440	80	\$1,560	\$0
Shellfish Committee	80	\$500	So	\$500	\$38	80	\$462	80
Tree Fund	80	\$500	80	\$500	\$500	80	80	\$0
Warrant Committee	So	\$500	80	\$500	\$15	80	\$485	\$0
Generator	80	\$500	80	\$500	\$2,438	80	(\$1,938)	\$0
General Assistance	\$0	\$5,000	0\$	\$5,000	\$225	80	\$4,775	80
Bar Harbor Food Pantry	80	\$2,500	0\$	\$2,500	\$2,500	80	\$0	80
Downeast Health Service	80	8900	80	\$900	\$900	20	20	80
Downeast Horizons	80	\$2,250	80	\$2,250	\$2,250	80	80	\$0
Downeast Transportation	\$0	\$825	80	\$825	\$825	80	80	\$0
Eastern Area on Aging	80	\$1,500	0\$	\$1,500	\$1,500	80	80	80
Hancock County Homecare	80	\$1,870	0\$	\$1,870	\$1,870	So	80	\$0
Harbor House	\$0	\$56,345	0\$	\$56,345	\$56,347	\$0	(\$2)	\$0
Hospice of Hancock County	80	\$600	\$0	\$600	\$600	80	80	80
Island Connections	80	\$1,500	0\$	\$1,500	\$1,500	80	20	80
Island Explorer	\$0	\$10,000	\$0	\$10,000	\$10,000	80	\$0	80
Mt Heights Cemetery	80	\$5,000	\$0	\$5,000	\$5,000	\$0	\$0	80
Chamber of Commerce	80	\$1,310	80	\$1,310	\$1,310	\$0	\$0	80
Southwest Harbor Historical	80	\$300	80	006\$	\$300	\$0	\$0	80
Library	80	\$45,000	\$0	\$45,000	\$45,000	\$0	80	80
Nursing Service	80	\$42,615	80	\$42,615	\$42,615	\$0	\$0	\$0
WHCA	\$0	\$635	80	\$635	\$635	80	\$0	80
	\$0	\$185,750	80	\$185,750	\$178,839	\$0	\$6,911	\$0
TOTALS	\$227,732	\$7,430,169	\$0	\$7,657,902	\$6,760,585	\$486,330	\$212,103	\$198,883

FOR THE FISCAL YEAR ENDED JUNE 30, 2009

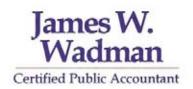
Town Funds	Beginning Balance	Revenues	Transfers from Funds	Interest Earned	Transfers to Funds/ Expenditures	Ending Balance
Public Work Truck	\$113,717	\$0	\$0	\$1,330	50	\$115,047
State Revenue Sharing	\$0	\$99,834	\$113	\$53	\$100,000	\$0
Docks & Floats	\$20,158	\$0	\$0	\$236	\$0	\$20,394
Advertising Signs	\$838	\$0	\$0	\$9	\$0	\$847
Street Signs	\$4	\$0	\$0	\$0	\$0	\$4
Legal and Accounting	\$22,571	\$0	\$0	\$264	\$0	\$22,835
Highway Garage	\$36,614	\$0	\$0	\$428	\$0	\$37,042
Parking Lot Maintenance	\$10,356	\$0	\$0	\$121	\$0	\$10,478
Community Relations	\$0	\$0	\$0	\$0	\$0	\$0
D.A.R.E. Program	\$1,240	\$0	\$0	\$14	\$524	\$731
Elm Tree	\$4	\$0	\$0	\$0	\$0	\$4
Public Safety Site	\$1	\$0	\$0	\$0	\$0	\$1
Comprehensive Planning	\$1,512	\$0	\$0	\$18	\$0	\$1,530
Herrick Sidewalk	\$26	\$0	\$0	\$0	\$0	\$26
Unemployment	\$9,623	\$0	02	\$109	\$2,258	\$7,475
Computer	\$8,467	\$0	\$0	\$85	\$8,552	\$0
Loader & Snow Equipment	\$5,704	\$0	\$0	\$67	\$603	\$5,168
Revaluation	\$14,851	\$0	\$0	\$174	\$0	\$15,024
Shellfish	\$1,068	\$0	\$1,329	\$14	\$0	\$2,411
State Highway Aid	\$32,229	\$19,812	\$0	\$312	\$51,521	\$832
Storm Drains	\$5,143	\$0	\$0	\$60	\$0	\$5,204
New Fire Station Operations	\$2,949	\$0	\$0	\$35	\$0	\$2,984
Junior Fire Department	\$1,044	\$0	\$0	\$12	\$931	\$125
Dispatch	\$23	\$0	\$0	\$0	\$0	\$24
Sidewalk Fund	\$92,433	\$0	\$0	\$1,081	\$0	\$93,514
Municipal Building Improvements	\$15,125	\$0	\$0	\$177	\$0	\$15,302
Mapping Update	\$4	\$0	\$0	\$0	\$0	\$4
Police Cruiser	\$8,548	\$0	\$0	\$85	\$8,629	\$4
Police Equipment	\$4,463	\$0	\$0	\$52	\$0	\$4,516
Public Safety Land	\$35,484	\$0	\$0	\$415	\$0	\$35,899
Harbor Master Office	\$22,823	\$0	\$0	\$261	\$4,020	\$19,064
Historical Inventory	\$1,883	\$0	\$0	\$22	\$0	\$1,905
Floats, Finger Float	\$9,128	\$0	\$0	\$107	\$0	\$9,234
Harbor Master Boat	\$24,446	\$0	\$0	\$276	\$23,925	\$796
Public Works Bathroom	\$13,669	\$0	\$0	\$160	\$0	\$13,829
Dispatch Equipment	\$4,075	\$0	\$0	\$48	\$0	\$4,123
Town Hall Painting	\$2	\$0	\$0	\$0	\$0	\$2
Veteran's Memorial	\$313	\$0	\$0	\$3	\$0	\$316
Manset Dock	\$19	\$0	\$0	\$0	\$0	\$19
Lower Town Dock	\$3,037	\$0	\$0	\$36	\$0	\$3,072
Radio Communication	\$2,525	\$0	\$0	\$33	\$0	\$2,558
Antenna Relocation, etc.	\$2,627	\$0	\$0	\$31	\$0	\$2,658
Cable	\$2	\$0	\$0	\$0	\$0	\$2
Emergency Maintenance	\$8,392	\$0	\$0	\$98	\$0	\$8,490
Fire Truck	\$42,099	\$0	\$0	\$493	\$0	\$42,592
Police Grant	\$0	\$1,337	\$0	\$0	\$1,337	\$0
Fire Department Radio Grant	\$0	\$1,560	\$0	\$0	\$1,560	\$0
Fire Department MMA Safe Grant	\$0	\$343	\$0	\$0	\$343	\$0
SHIP Grant	\$5,350	\$0	\$0	\$0	\$17,542	(\$12,192)
Safe Routes to School Grant	\$9,886	\$0	\$0	02	\$0	\$9,886
Trail Grant	\$4,276	\$0	\$0	\$0	\$0	\$4,276
Septic Tank Grant	\$131	\$0	\$0	\$0	\$0	\$131
Wellness Grant	\$0	\$150	\$0	\$0	\$25	\$125
Conservation Commission	\$91,169	\$8,846	\$0	\$1,339	\$44,506	\$56,847
Police School Playground	\$1,491 \$7,635	\$0 \$13,599	\$0 \$0	\$4 \$0	\$183 \$20,463	\$1,312 \$770
Total Town Funds	\$699,177	\$145,481	\$1,442	\$8,064	\$286,923	\$567,241
No. of the last of						

	Beginning Balance	Revenues	Transfers from Funds	Interest Earned	Transfers to Funds/ Expenditures	Ending Balance
CIP Funds		2000				
Municipal Software	\$0	\$0	\$50,000	\$67	\$23,849	\$26,218
Computer	\$0	\$0	\$8,650	\$19	\$3,693	\$4,976
Record Preservation	\$0	\$0	\$5,000	\$11	\$0	\$5,011
Municipal Building Engineering	\$0	\$0	\$68,000	\$146	\$0	\$68,146
Building Renovations	\$0	\$0	\$13,000	\$28	\$0	\$13,028
Police Cruiser	\$0	\$0	\$22,000	\$23	\$14,392	\$7,630
Police Station Engineering	\$0	\$0	\$81,000	\$116	\$45,796	\$35,320
Police Station Construction	\$0	\$0	\$20,000	\$42	\$1,025	\$19,017
Dispatch Console	\$0	\$0	\$850	\$2	\$0	\$852
Dispatch Security Cameras	\$0	\$0	\$500	\$1	\$0	\$501
Thermal Imaging Camera	\$0	\$0	\$7,000	\$9	\$6,990	\$19
Harbor Master Boat Motor	\$0	\$0	\$5,000	\$9	\$5,009	\$0
Manset Float	\$0	\$0	\$2,500	\$6	\$0	\$2,506
Lower Town Dock Pier	\$0	\$0	\$10,000	\$18	\$0	\$10,018
Highway 1 Ton Pickup	\$0	\$0	\$7,500	\$16	\$0	\$7,516
Highway #1 Plow Truck	\$0	\$0	\$7,665	\$17	\$0	\$7,682
Highway #2 Plow Truck	\$0	\$0	\$7,665	\$17	\$0	\$7,682
Highway Loader	\$0	\$0	\$35,000	\$75	\$0	\$35,075
Highway Garage	\$0	\$0	\$5,000	\$11	\$0	\$5,011
Road Projects	\$0	\$0	\$120,000	\$165	\$53,611	\$66,554
Sidewalks Projects	\$0	\$0	\$10,000	\$18	\$0	\$10,018
Total CIP Funds	\$0	\$0	\$486,330	\$814	\$154,366	\$332,779
School Funds						
Bus Purchase	\$60,393	\$0	\$18,000	\$1,045	\$65,895	\$13,543
Emergency	\$179,925	50	\$20,865	\$3,193	\$35,978	\$168,005
Maintenance	\$20,482	\$0_	\$3,750	\$357	\$0	\$24,589
Total School Funds	\$260,799	\$0	\$42,615	\$4,595	\$101,873	\$206,136
Total Special Revenue Funds	\$959,976	\$145,481	\$530,387	\$13,473	\$543,161	\$1,106,156

TOWN OF SOUTHWEST HARBOR, MAINE SCHEDULE OF CHANGES IN GENERAL UNDESIGNATED FUND BALANCE FOR THE FISCAL YEAR ENDED JUNE 30, 2009

(Exhibit A-3)

Undesignated Fund Balance July 1, 2008		\$447,321
Lanca and a second a second and		
Increases;	5212 102	
Lapsed Balances - Exhibit A-1	\$212,103	
Supplemental Taxes	\$11,785	
In Lieu of Tax Revenues (Net of Appropriation)	\$13,669	
Interest Earned (Net of Appropriation)	\$12,733	
Interest on Taxes & Liens (Net of Appropriation)	\$18,084	
Solid Waste Revenues (Net of Appropriation)	\$12,707	
Police Department/Dispatch Revenues (Net of Appropriation)	\$1,448	
Licenses, Fees, Registrations & Miscellaneous (Net of Appropriation)	\$32,479	
Cable Franchise Fee (Net of Appropriation)	\$14,443	
Docks & Floats Revenues (Net of Appropriation)	\$10,040	
Total Increases		\$339,490
Decreases;		
Increase in Restriction due to Non-current Assets	\$258,526	
Increase in Deferred Tax Revenue	\$27,945	
Excise Taxes (Net of Appropriation)	\$14,018	
Abatements	\$86,963	
Total Decreases		\$387,452
Undesignated Fund Balance June 30, 2009		\$399,358



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

To the Board of Selectmen Town of Southwest Harbor Southwest Harbor, Maine 04679

We have audited the financial statements of the Town of Southwest Harbor, Maine as of and for the year ended June 30, 2009, and have issued our report thereon dated December 1, 2009. 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Southwest Harbor, Maine's financial statements are free of 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 result of our tests disclosed no instances of noncompliance or other matters that are required to be reported under "Government Auditing Standards".

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Town of Southwest Harbor, Maine's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affect the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies described in the accompanying schedule of findings and responses to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies described above, we consider items 2009-1 and 2009-2 to be material weaknesses.

We noted certain matters that we reported to management of the Town of Southwest Harbor in a separate letter dated December 1, 2009.

The Town of Southwest Harbor's response to the findings identified in our audit are described in the accompanying schedule of findings and responses. We did not audit the Town of Southwest's Harbor response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, federal awarding agencies and pass- through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully Submitted

James W. Wadman, C.P.A.

James W. Wadman, C.P.A. December 1, 2009

TOWN OF SOUTHWEST HARBOR, MAINE SCHEDULE OF FINDINGS AND RESPONSES FOR THE FISCAL YEAR ENDED JUNE 30, 2009

2009-1 Financial Statement Preparation

Based on recently implemented auditing standards, inadequate design of internal control over the preparation of the audited financial statements is deemed to be a material weakness in the internal control structure. The material weakness in the internal control is due to the inability to effectively prepare and evaluate the audited financial statements and detect material misstatements in those financial statements.

Town of Southwest Harbor's response

Management consents and agrees to do more formal training in order to try to gain more understanding of the financial statement preparation and how to evaluate them in order to identify any potential material misstatements done during the financial statement preparation.

2009-2 Unpaid Property Tax Listings

During the course of the audit, it was noted that the unpaid property tax listings had not been reconciled with the coinciding general ledger account balances. It was also noted that none of the unpaid personal property tax balances for years prior to the 2008-2009 year had been input into the new Trio program.

Town of Southwest Harbor's response

Management agrees that there were some problems with the reconciliation process of the unpaid property tax listings and the general ledger due to transition from the Gemini program to the Trio program during the year, plus the transition to a new tax collector during the year. The Town intends to make sure this process is put back into place and the balances will be reconciled going forward. The Town also intends on getting the prior year's unpaid personal property tax balances that are deemed collectable input into the Trio system and maintained going forward.

Notes



IMPORTANT TELEPHONE NUMBERS

To Report a Fire	911
Police Emergency	911
Ambulance	911
Police and Fire	244-7911
Town Office e-mail: swharbor@southwestharbor.org	244-5404
Highway Garage	244-7917
Water Department	
Sewer Department	244-7919
Transfer Station (EMR, Inc.)	244-4347
Harbormaster	244-7913
Code Enforcement	244-7915
Chamber of Commerce	244-9264
Public Library	244-7065
Pemetic Elementary School	
US Post Office, Southwest Harbor	244-3456