

Eastport City Council
February 11, 2026

FY2027 Draft Budget in Context

11 February 2026

Brian Schuth, City Manager

The Most Important Numbers

	\$ change	% change	FY27 Amount
Municipal Expenses	(\$28,355)	-1.1%	\$2,521,186
Total Revenues and Transfers	(\$30,962)	-2.8%	\$737,009
School	\$98,799	5.0%	\$2,074,797
County	\$89,001	22.2%	\$490,000
Overlay	\$13,760	23.6%	\$71,974
Mill Rate		5.28%	\$32.00

Numbers Revised, Removing Emergency FY26 Clerk Transfers

	\$ change	% change	FY27 Amount
Municipal Expenses	\$37,395	1.5%	\$2,521,186
Total Revenues and Transfers	\$34,789	3.3%	\$737,009
School	\$98,799	5.0%	\$2,074,797
County	\$89,001	22.2%	\$490,000
Overlay	\$13,760	23.6%	\$71,974
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FY26 included \$70,000 in expenses to cover the possibility of having to hire a clerk on an emergency basis; this was offset by \$70,000 in transfers from unassigned. I have removed these amounts on the previous slide, where this amount makes our expense and revenue changes negative. The numbers here exclude all but \$9,450 of the transfers and expenses to give a better picture of the real changes to our historical expenditures.

Changes still to come

- Education local contribution
- Staffing adjustments
- Final county tax bill/rebate
- Projections for revenue sharing not yet in
- Real estate and personal property valuations need to be completed.

This is a *conservative budget*, designed to minimize impact to the mill rate. The Budget Committee will help assess whether these initial choices are the best for the City.

Changes in Mill Rate: FY2019-2026

Year	Mill Rate	% change from previous	% change from 2018
2018-2019	\$26.80		
2019-2020	\$26.20	-2.24%	-2.24%
2020-2021	\$26.55	1.34%	-0.93%
2021-2022	\$25.60	-3.58%	-4.48%
2022-2023	\$26.00	1.56%	-2.99%
2023-2024	\$27.00	3.85%	0.75%
2024-2025	\$28.50	5.56%	6.34%
2025-2026	\$30.39	6.65%	13.41%
2026-2027 DRAFT	\$32.00	5.28%	19.40%

Mill rate is a reasonable number to use to assess the bottom-line impact to most taxpayers, as Eastport has done no revaluation during this period.

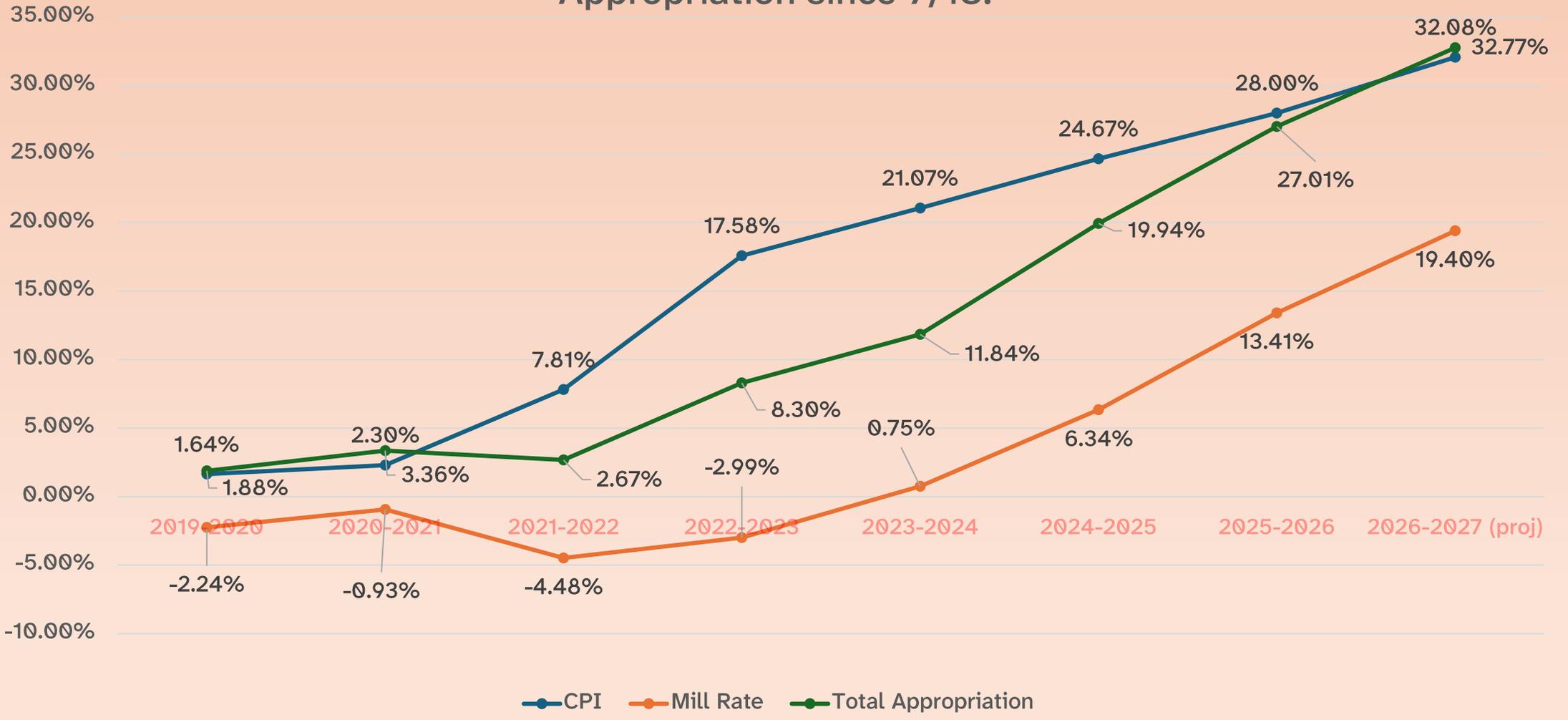
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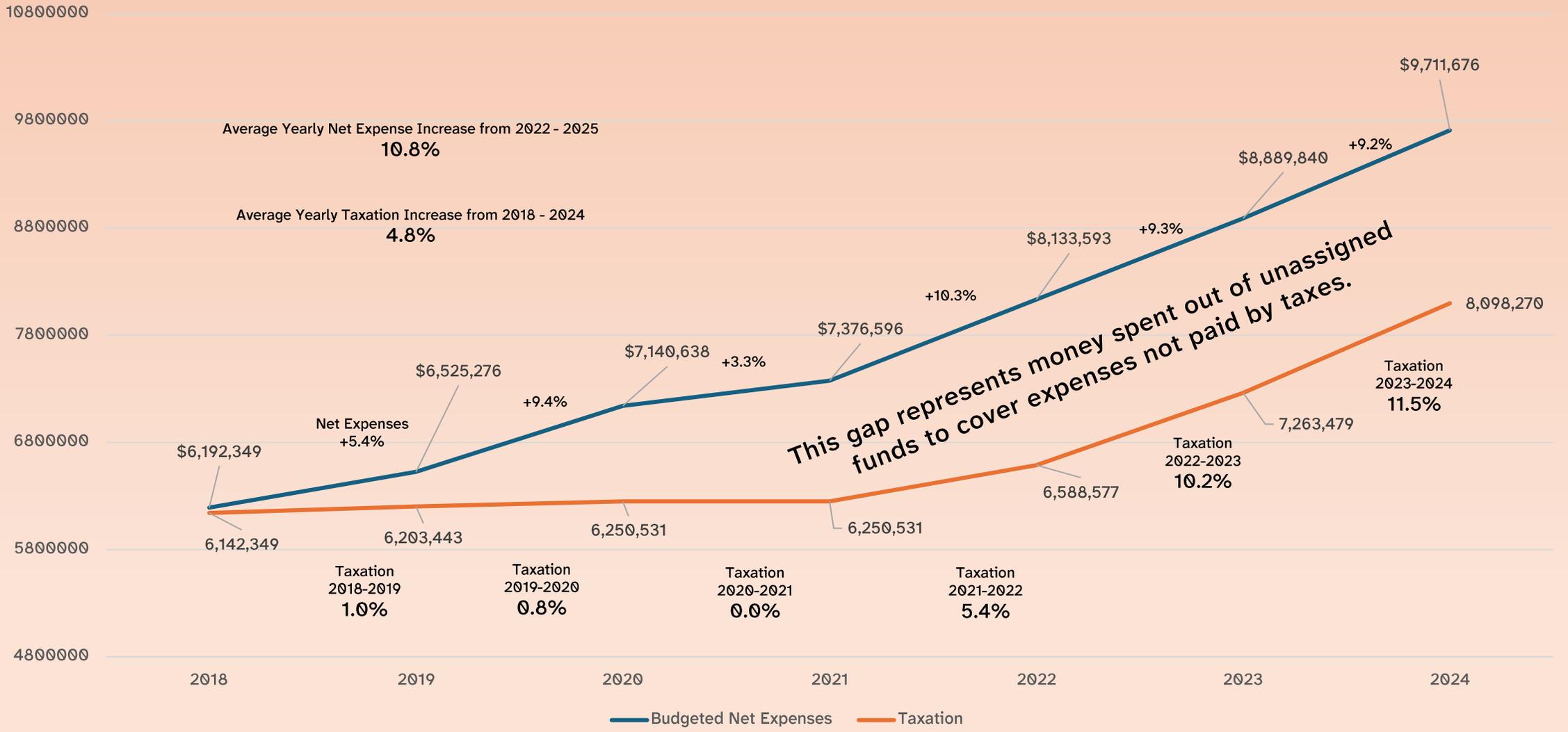
Why the recent rise?

- County tax.
- Health insurance.
- Compensation adjustments
- Rises in solid waste cost, utilities, construction material.
- *Inflation.*

Cumulative Inflation, Rise in Mill Rate and Rise in Total Budgeted Appropriation since 7/18.



County Budget: Difference between budgeted expenses minus departmental revenue (i.e. "net expenses") and taxation

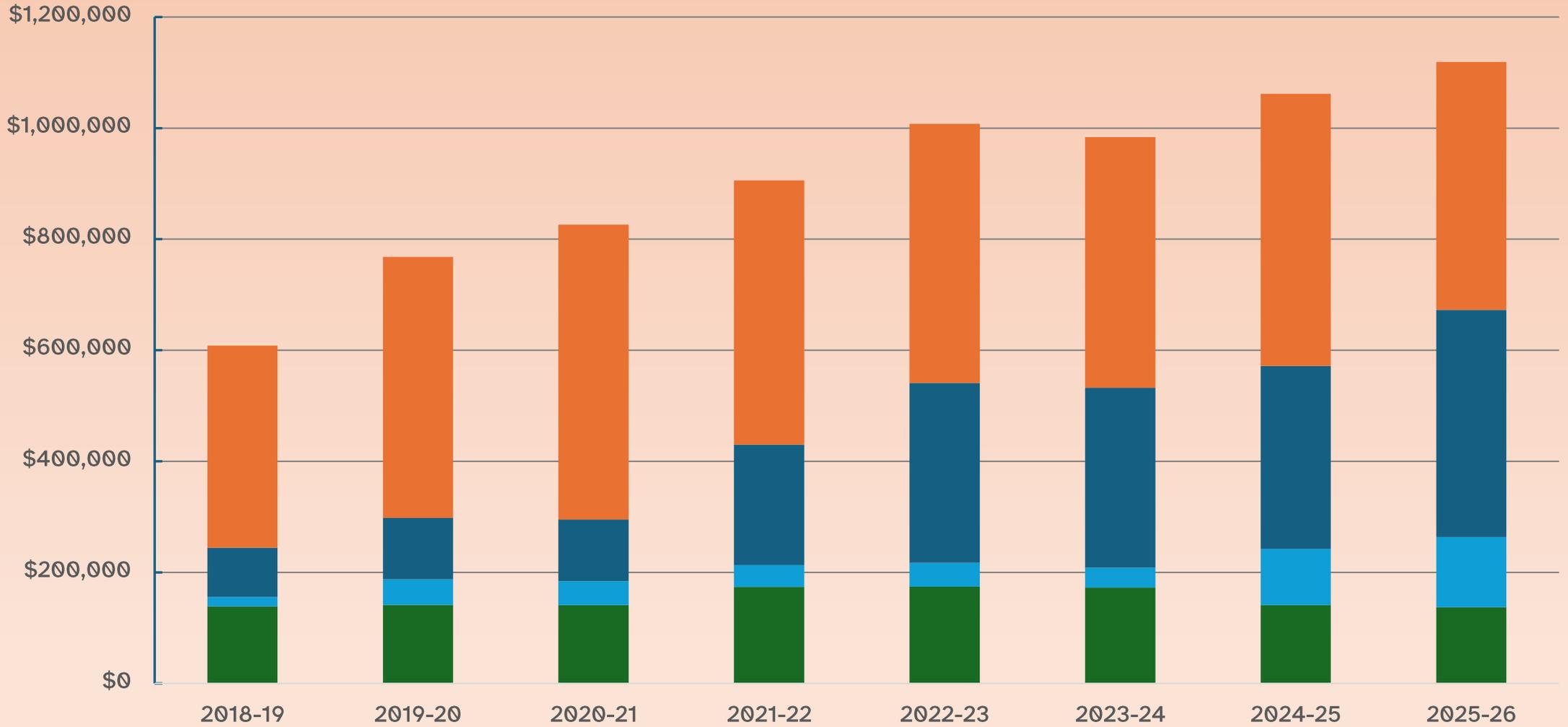


CPI, Mill Rate, Budgeted Appropriation & Revenue % change since 2018



● CPI
 ● Mill Rate
 ● Total Appropriation
 ● Total Deductions

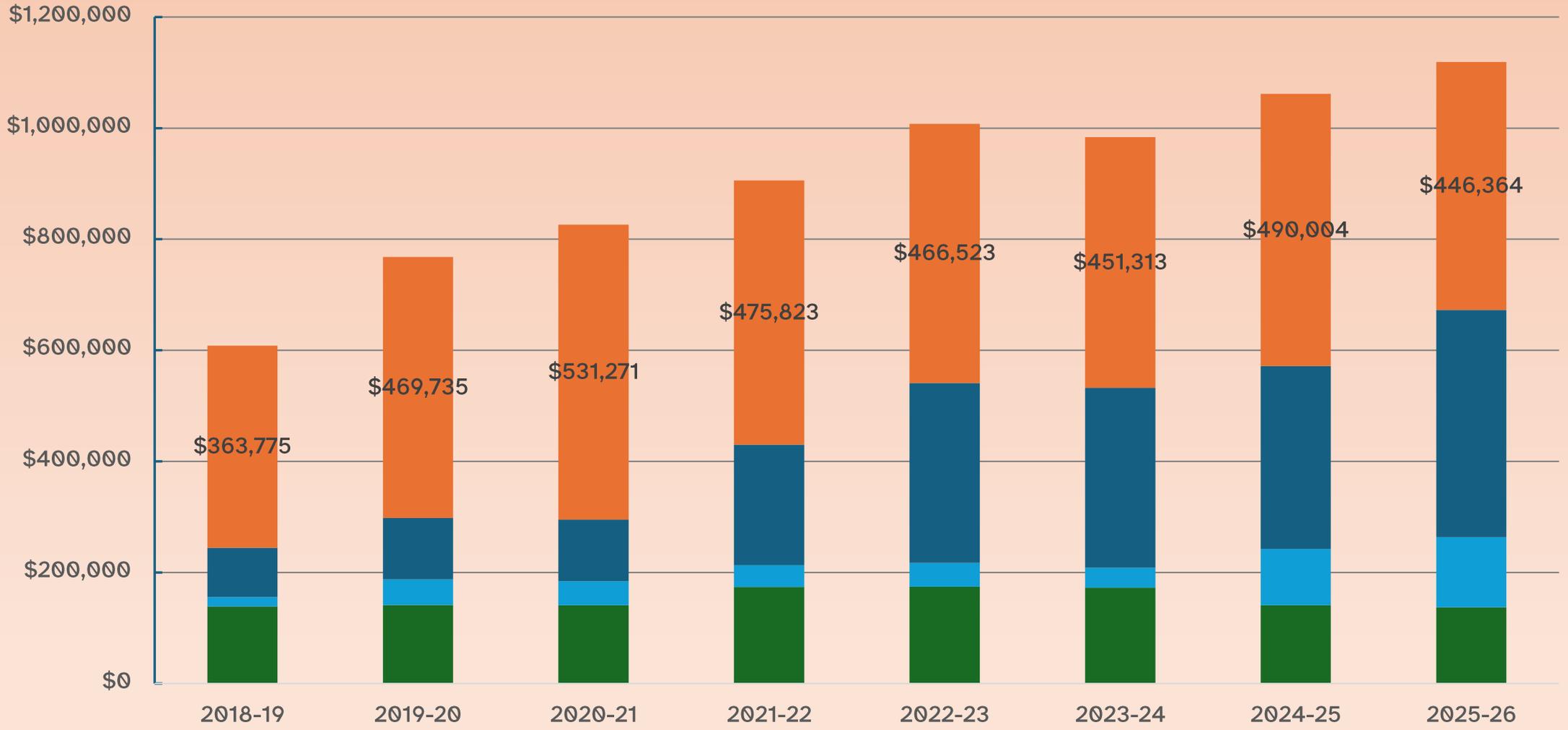
Total Budgeted Revenues in \$



■ Homestead ■ BETE ■ Revenue Sharing ■ Other + Muni Rev

Revenues from State

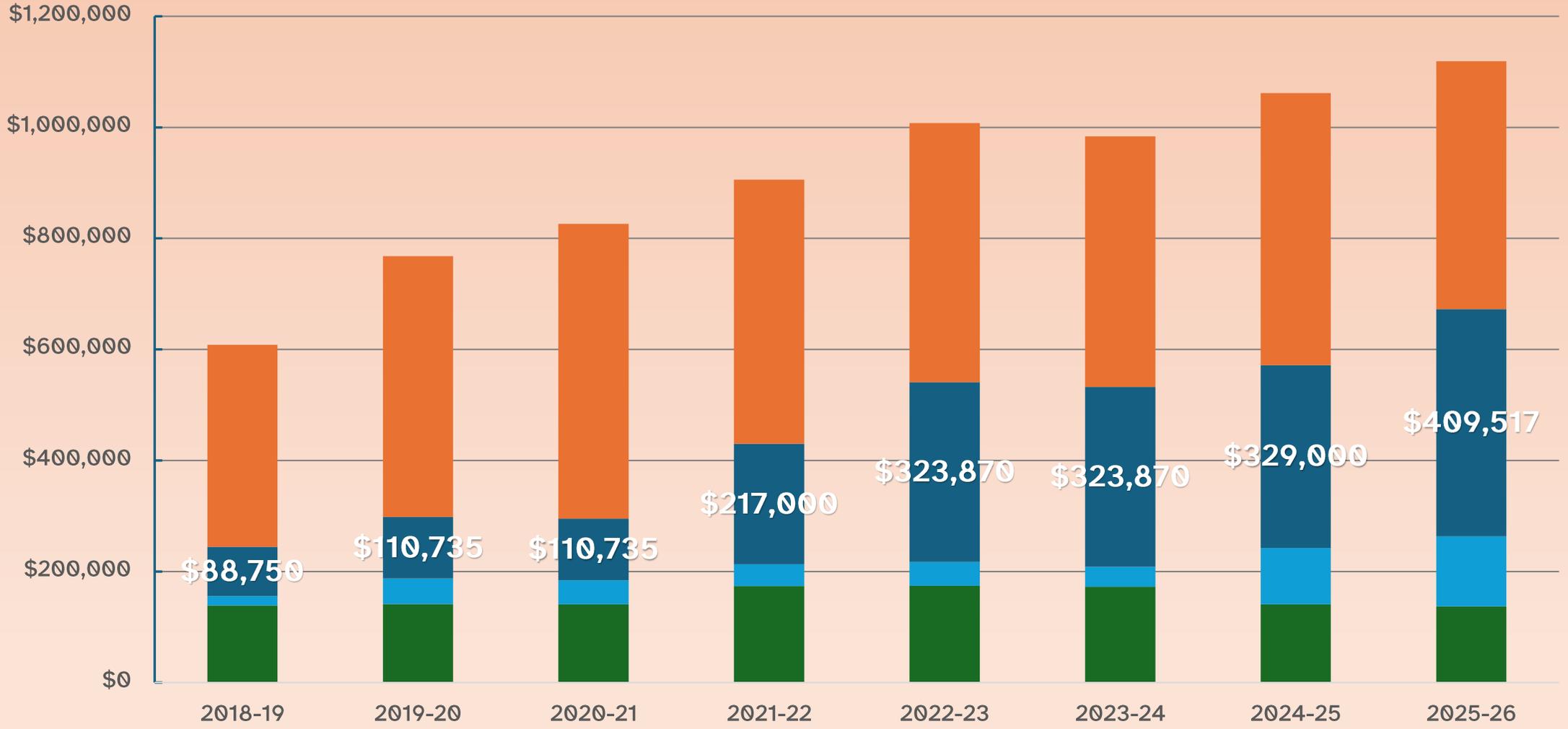
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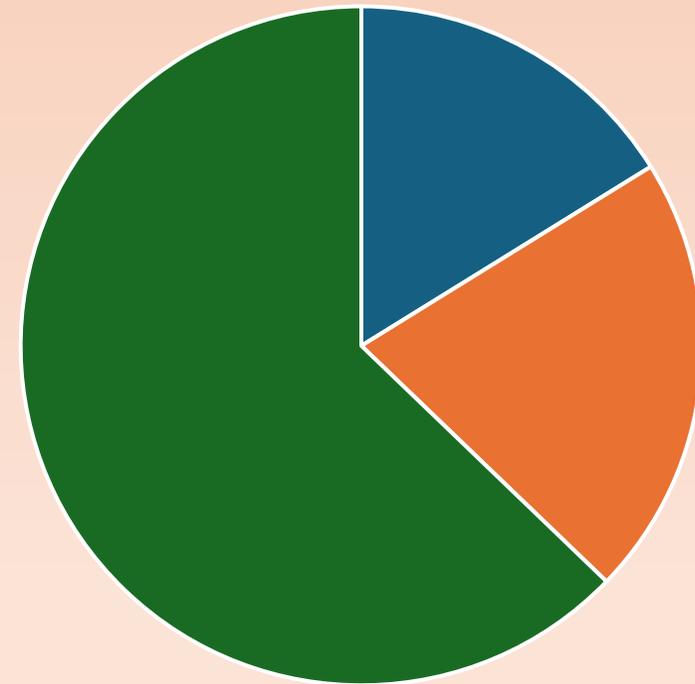
Revenues from State

Changes in Budgeted Revenue \$

Since FY19:

- Municipal revenue rose \$82,538
- Homestead revenue fell \$1,466
- BETE revenue rose \$109,050
- Revenue sharing rose \$320,767

\$ change since FY19



■ Municipal + other ■ BETE + homestead ■ Revenue Sharing

State Increase in Revenue Sharing

Before January 1, 2025, no later than the 10th day of each month, the State Controller shall transfer to the Local Government Fund 5% of the receipts... except...

...for fiscal [year] ... 2018-19 the amount transferred is 2%,

...for fiscal year 2019-20 the amount transferred is 3%,

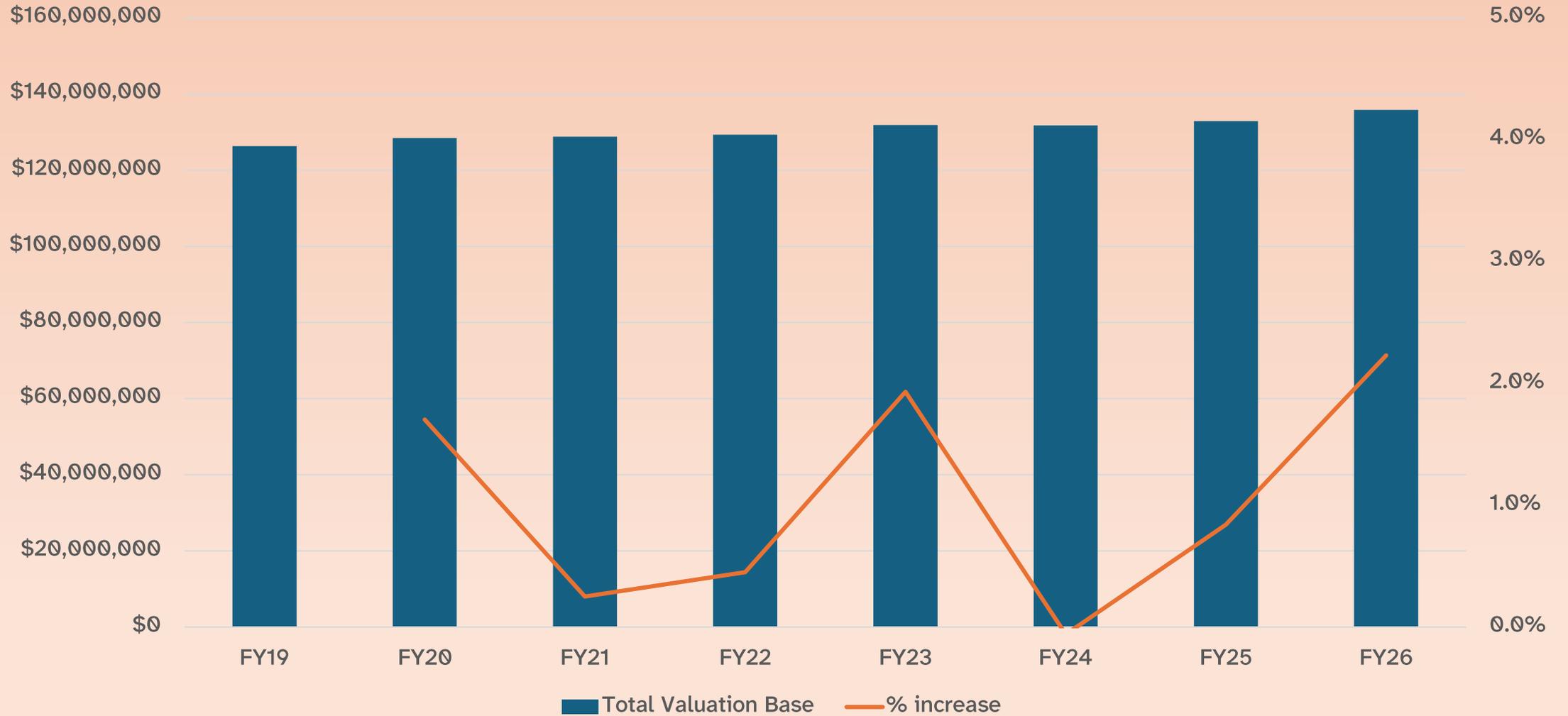
...for fiscal year 2020-21 the amount transferred is 3.75% and

...for fiscal year 2021-22 the amount transferred is 4.5%

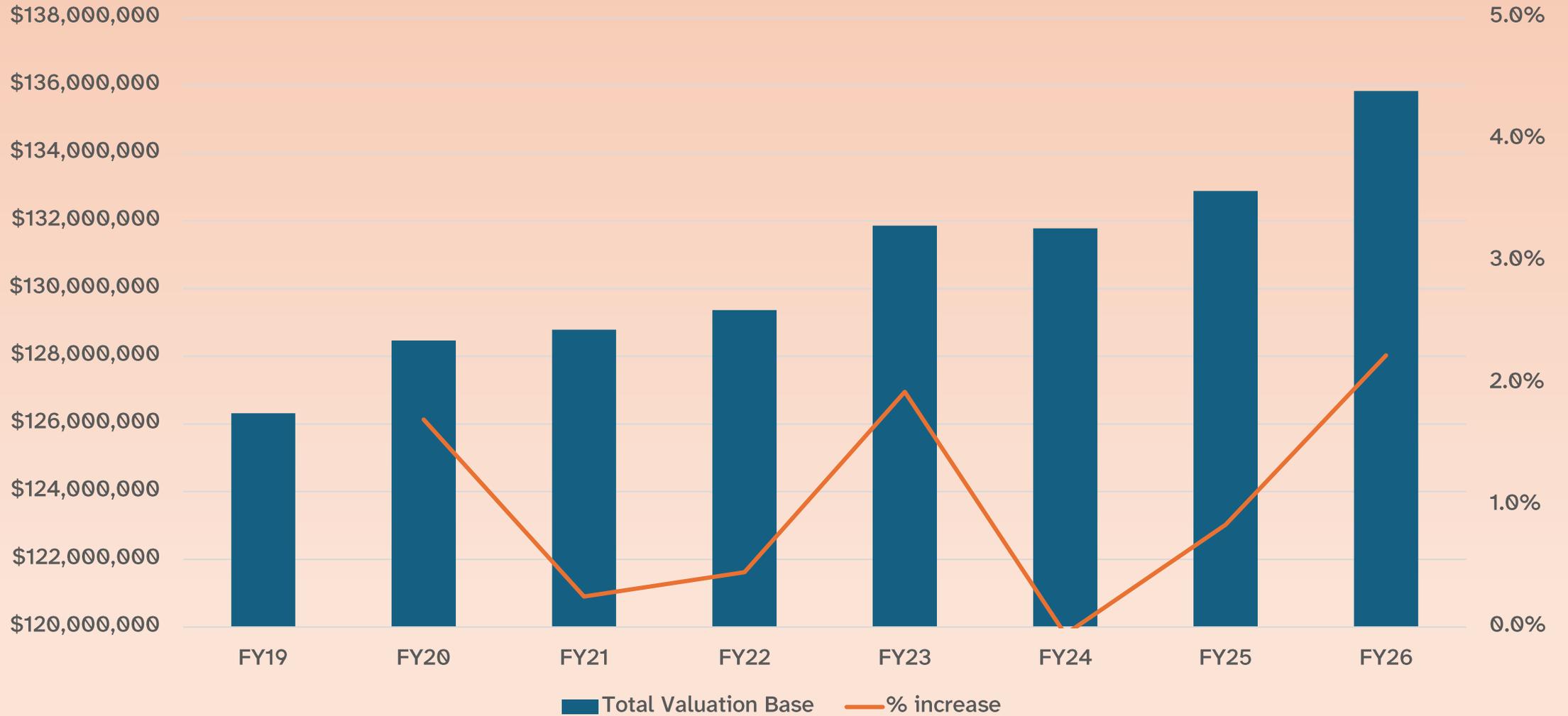
30-A MRSA Section 5681(5)

Valuation and Taxation

Total Valuation Base, with year-to-year percentage increase



Total Valuation Base, with year-to-year percentage increase



Effect of Valuation Increase

- Total Base Valuation has risen \$9,524,453 since 2018-19 (7.54%). Total direct taxable valuation has risen \$6,672,013 (5.54%).
- If real estate valuation was at the FY19 level, the mill rate in FY27 would need to be \$34.20 (12.5% increase over FY26) to raise the same amount of funds.

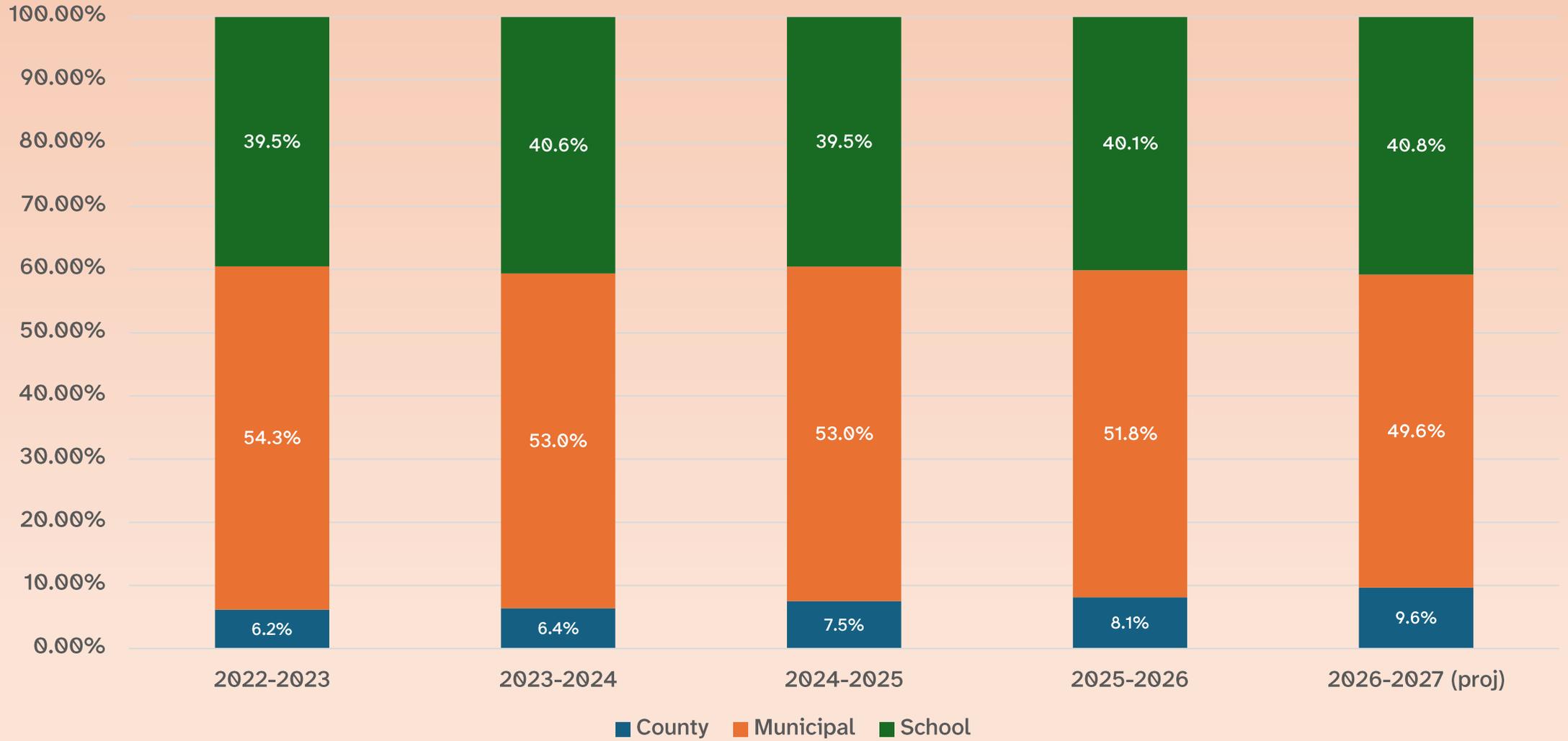
Contributions to Taxation

Municipal, Education, County

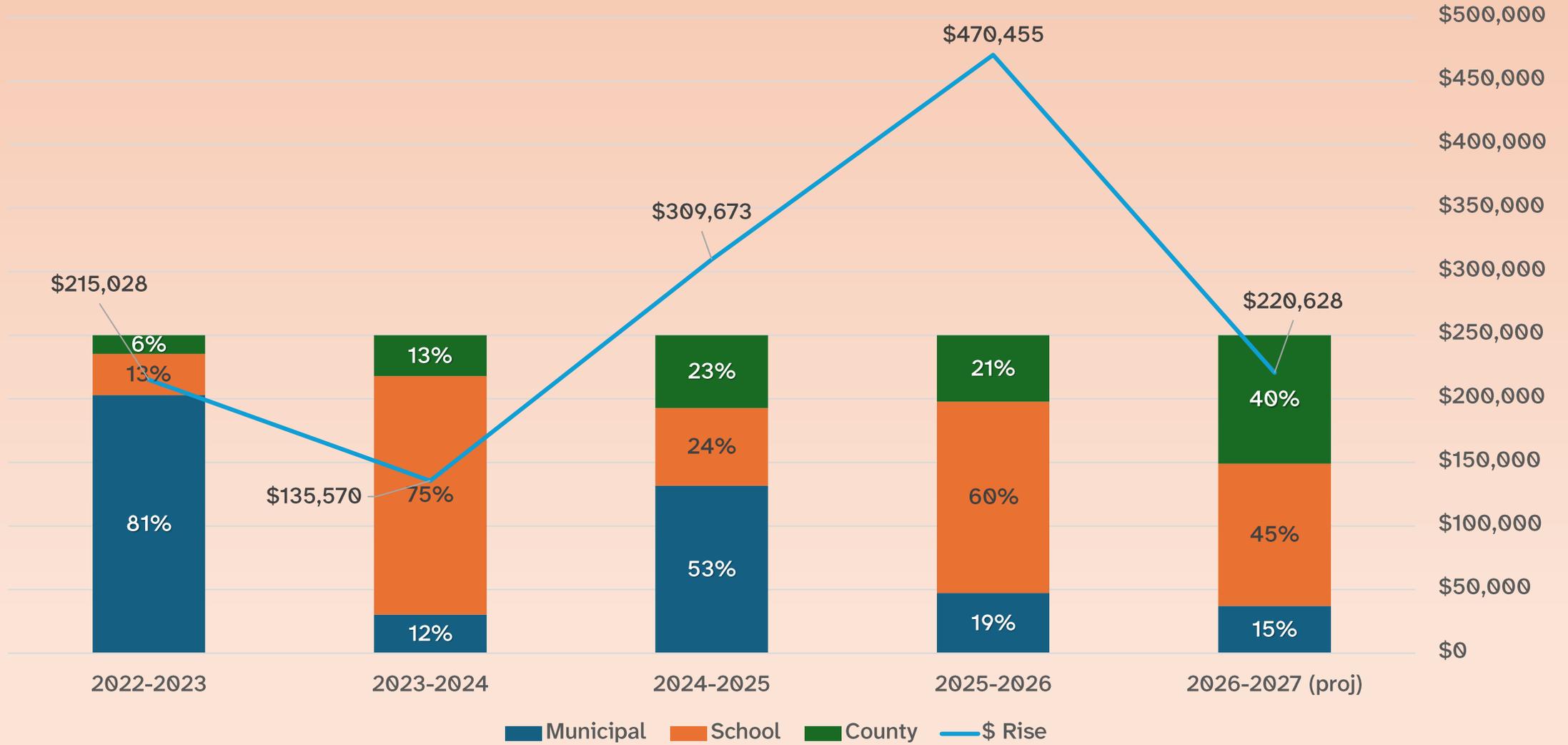
Total Budgeted Appropriation



Total Budgeted Appropriation



% of Overall Expense Rise, by Major Component, with size of rise

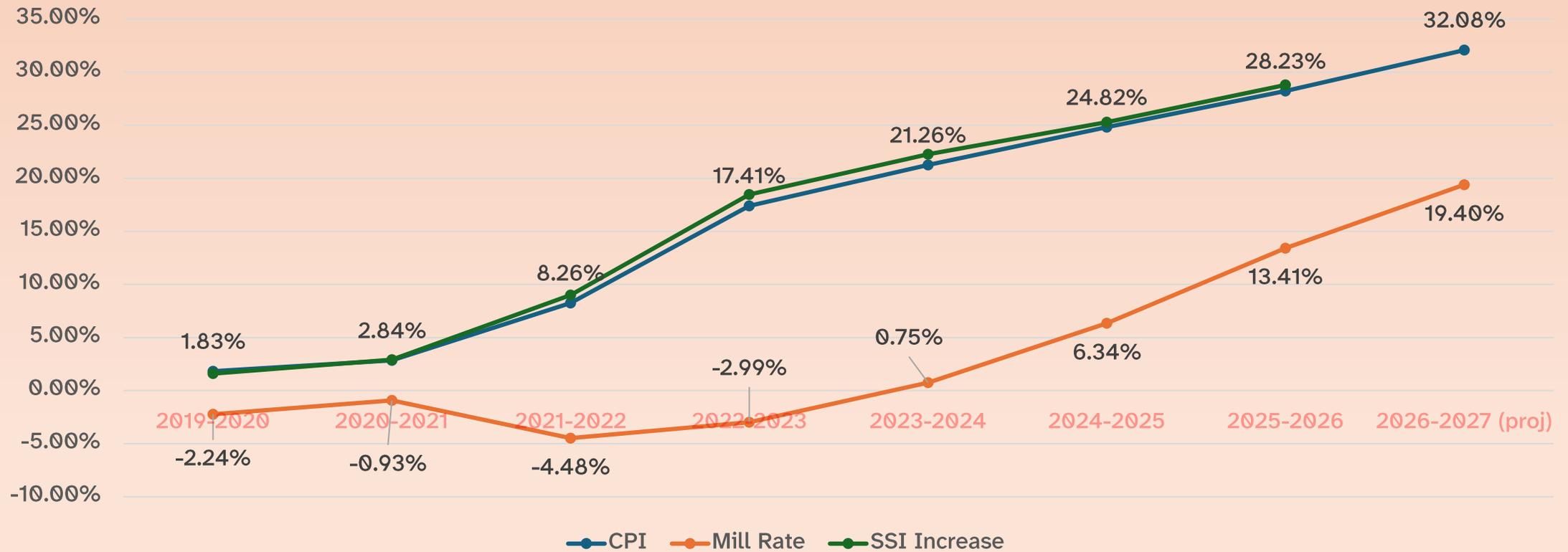


Takeaways for Today

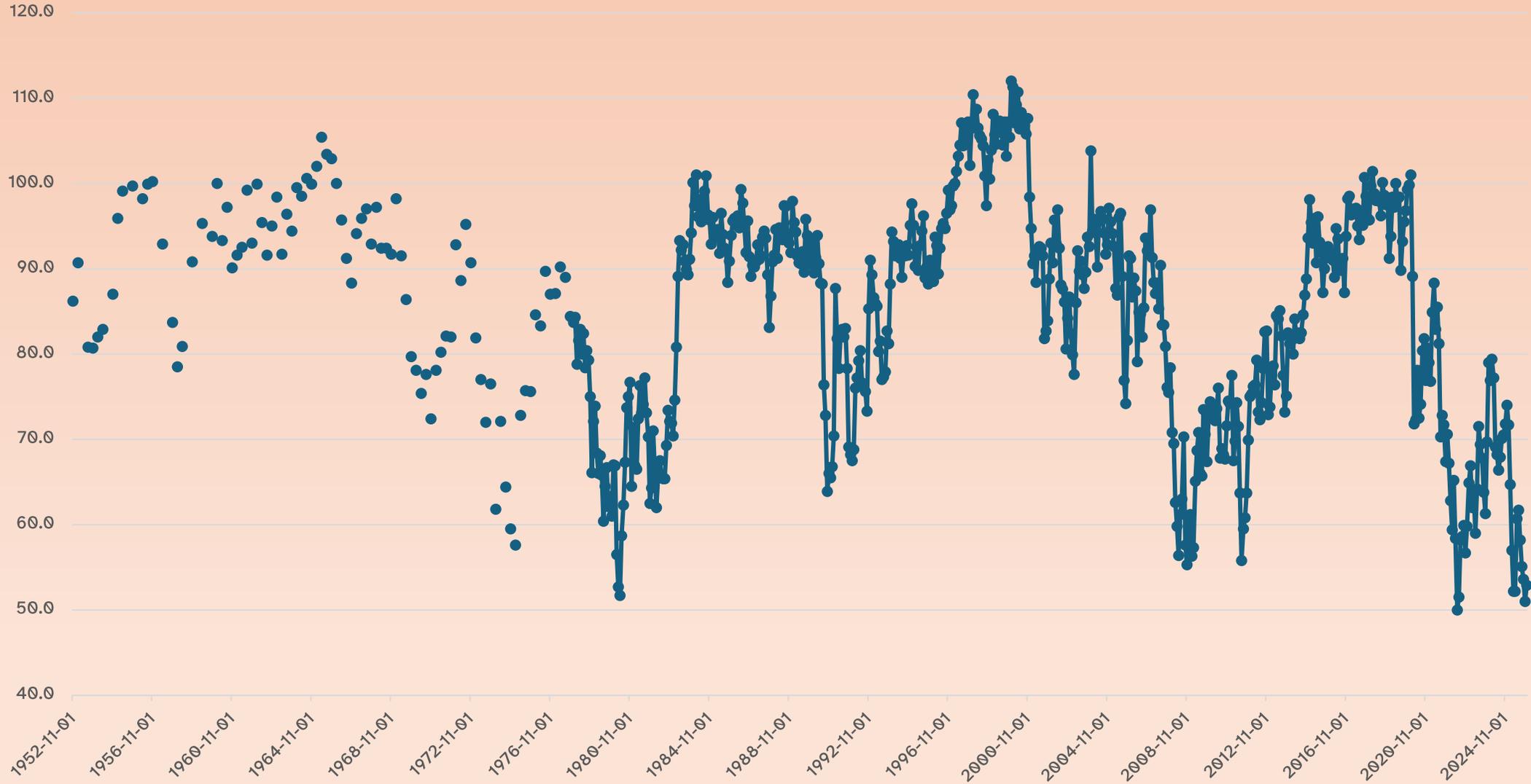
- The FY27 municipal increase has been kept below 2%.
- Overall taxation has significantly lagged inflation despite overall expenses keeping up with inflation.
- The amount of control the Council and City Manager have over taxation has its limits.
- Revenue sharing has significantly reduced the potential tax burden.
- Increases in real estate and personal property valuation have further cushioned increases.

Why Does it Feel Worse?

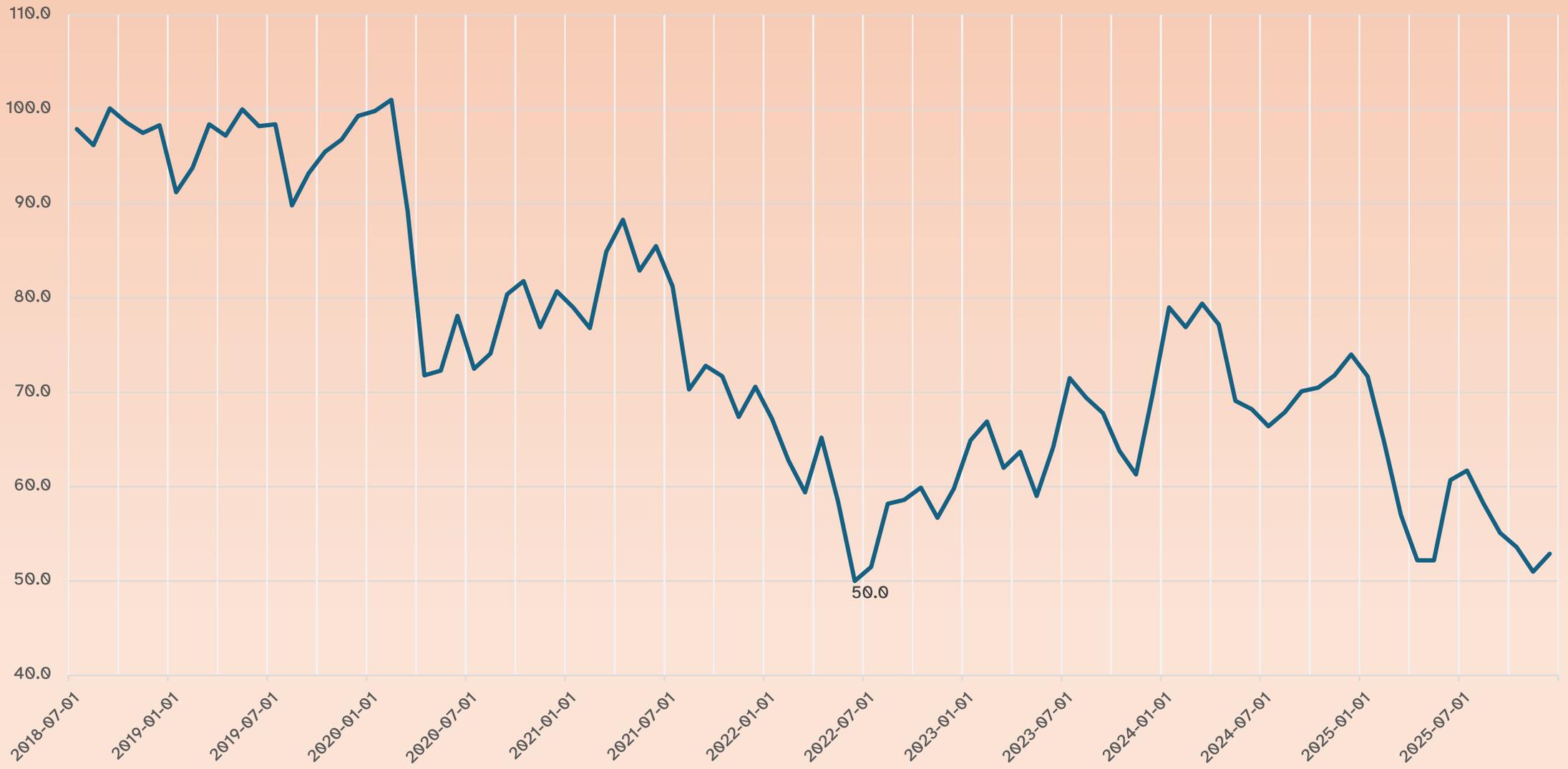
Cumulative Inflation vs. Rise in Mill Rate



University of Michigan Survey of Consumer Sentiment, Entire Series

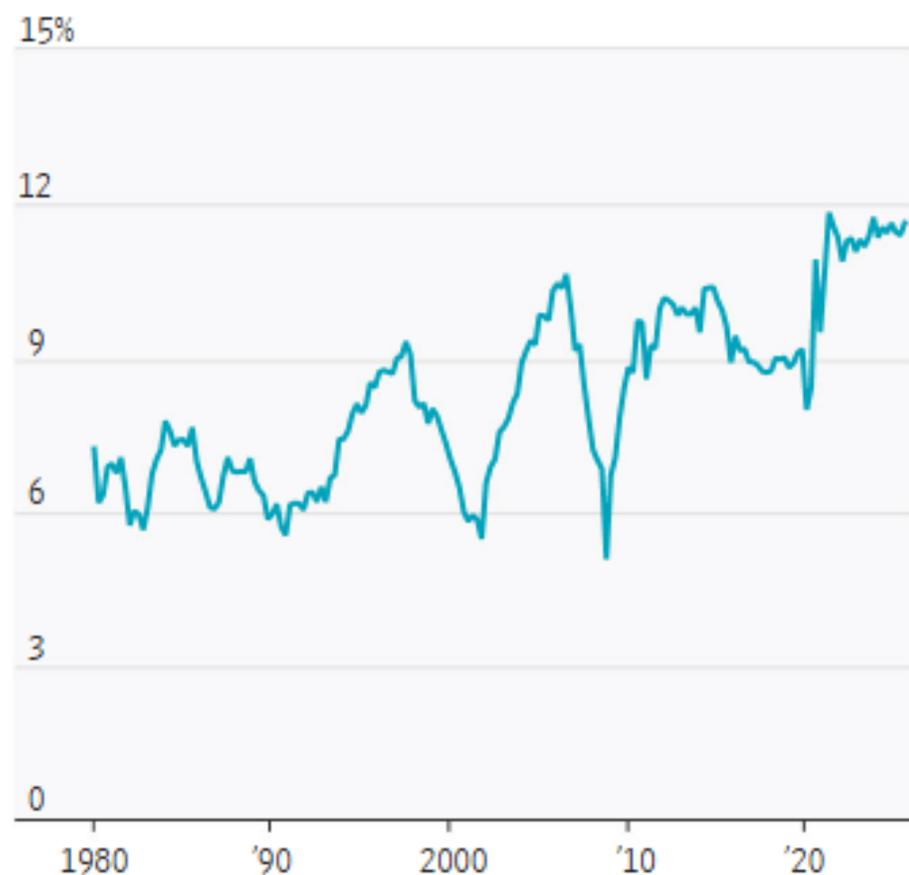


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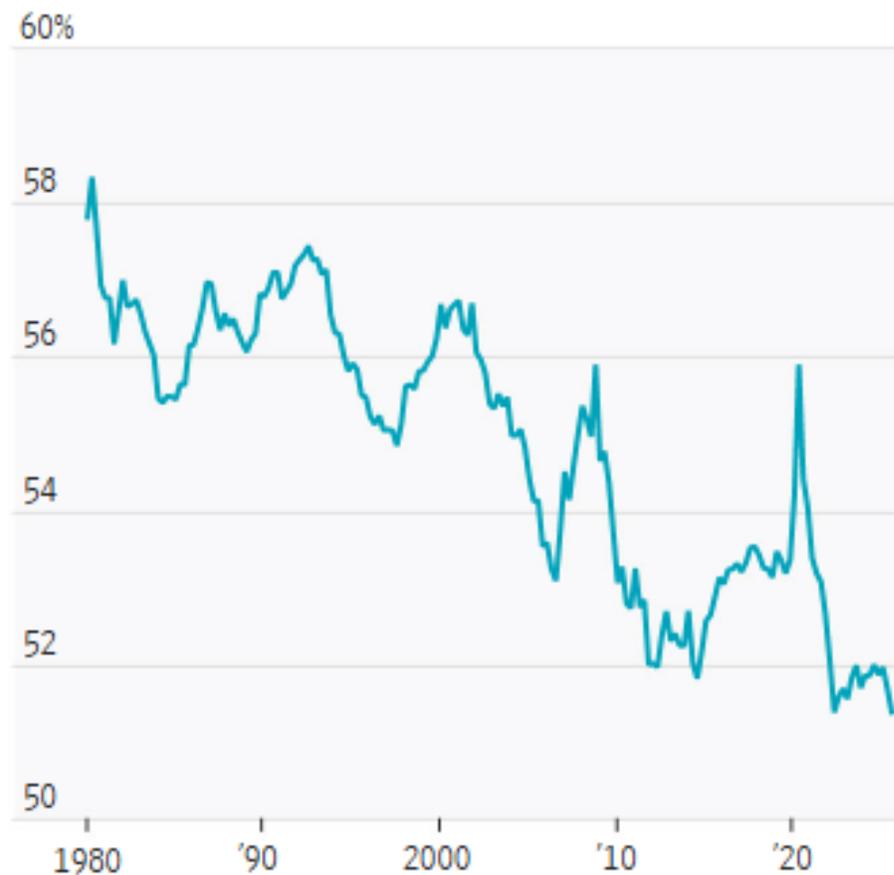


Corporate profits and labor compensation as a percentage of gross domestic income

Corporate profits*



Labor compensation†



*Profits are before tax. †Wages and benefits

Source: Commerce Department

“If you build data centres, or provide energy, or sell to higher-income customers, or trade on Wall Street, or build pharmaceutical plants, or live in the Carolinas, your economy is hot,” said Tom Barkin, president of the Federal Reserve Bank of Richmond, in a speech in November. “But if you’re a farmer, or a realtor, or a manufacturer hurt by tariffs, or are dependent on lower-income consumers, you are struggling.”



Income/Estate Tax

Property Tax

Sales, Use & Service Provider Tax

Fuel Tax

Other Taxes

Tax Relief Credits and Programs

Compliance

State Property Tax Deferral Program

The Property Tax Deferral Program allows certain taxpayers to defer the payment of property taxes on their homestead. While participating in the Deferral Program, the State will pay the property taxes, including up to two years of delinquent taxes, on the homestead of participating taxpayers each year until the taxpayer withdraws or is disqualified from the Program. Following withdrawal or disqualification, the taxpayer (or their estate or heirs) must repay the total deferred taxes plus interest and costs. The filing period for the 2026 tax year is open from January 1, 2026, to April 1, 2026. The application for the Deferral Program is available on the [Property Tax Forms](#) page.

Forms for municipalities with taxpayers enrolled in the Deferral Program, including the Municipal Property Tax Report, are available under the Municipal Forms section of the [Property Tax Forms](#) page.

See [Bulletin No. 34 - Property Tax Deferral Program](#) for more information. For more information not discussed in the bulletin, see the [State Property Tax Deferral Program Law](#), or contact MRS.

<https://www.maine.gov/revenue/taxes/tax-relief-credits-programs/property-tax-relief-programs/deferral-program>

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Deadline for 2026 entry into program is APRIL 1, 2026

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Questions?