

Town of Brunswick, Maine

**Finance Committee Meeting
Thursday, February 19, 2015
2:30 – 5:00 PM**

85 Union Street – Conference room #206

Meeting Minutes (Approved 3/12/15)

Committee Members: Sarah Brayman, Jane Millet, John Richardson

Staff: Julie Henze, John Eldridge (at 3:30 PM)

Others: Bernie Breitbart, Richard Fisco

1. Acknowledgement that Meeting was Properly Noticed

Sarah Brayman & Julie Henze confirmed that the meeting was on the Town Calendar

2. Committee approved 12/16/14 and 1/15/15 meeting minutes

3. Adjustments to agenda / Public comment

Moved items #8 & #9 to begin when JE joins the meeting.

Public Comment: Bernie Breitbart expressed frustration with 9 Dunning St situation – wants progress and feels court action should proceed to recoup funds the Town spent to house and transport tenants while building problems were being addressed. Also concerned about the potential liability to the Town when properties are allowed to operate in unsafe condition. John Richardson and Jane Millett expressed agreement, and mentioned difficulties in collection when property may be owned by an LLC.

4. Open Questions

Sarah Brayman – She met with Billy Thompson of the School Board to discuss the possibility of cooperation between Finance Committees – joint meetings? Initially, they have agreed to share meeting agendas in advance of their respective meetings.

5. Financial update

- a. January Financials – JH presented Munis summary reports. On expenditure side, most departments are in line with where they should be. One exception is Administration which is over due to greater legal costs than anticipated. Discussion on the basis of this – *more detail to be provided at next meeting*. Revenues are trending normally, with Revenue Sharing on track, and Excise Tax approx. \$60K ahead of last year at this time. Discussion of how certain revenue lines display on the report – Property taxes reflect all billed taxes, not collected. Debt service reflects receipt of full school dept contribution, even though not all debt service payments have been made. Discussion on TIF districts – *for next meeting confirm that Molnycke CEA max is 55% of TIF revenues*.
- b. Snow – Spreadsheet from John Foster indicating six years of history of snowfall and budget results. For 2014-15, as of 2/14/15 expenditures are over by a total of approx. \$81K in all relevant budget lines.

6. 2015-16 Budget

- a. Schedule – questions on Finance Committee additional meetings. Union negotiations will begin this year for all unions – Firefighters union is the first, expiring 6/30/15. Sarah

Brayman made a proposal to start the process in the Finance Committee, with a workshop to outline the various parts of a union contract and help the Council's decisions on a direction with union negotiations.

Jane Millett would like to evaluate the costs of benefits provided to employees.

John Richardson pointed out that there are many unknowns at this point, and that negotiations should begin with discussions of the issues, but management won't know enough to actually talk about exact cost implications. JR is willing to inform the committee from his experience from the union side of negotiations. JR not in town 3/17-29.

Decision to schedule 3/5/15 Finance Committee workshop on Union Contracts. 3/12/15 Finance Committee meeting on the CIP, with proposed CIP to be delivered to the Council on 3/16/15, and a presentation of the CIP at a Council workshop on 3/30/15.

- b. Presentations by departments/outside organizations – discussion of the benefits/drawbacks of “dog and pony show” presentations. JR would like fewer presentations – more summarized information – and more time to work with Council. JM would like to focus on the factors that affect the budget most. SB pointed out the value to the public of seeing detailed information on the services provided.

(John Eldridge joined the meeting at this point and Committee moved to item #8)

8. Cooks Corner Project

Sarah Brayman wants more discussion of this topic in the Finance Committee because John Richardson was not present for the previous discussion on 1/15/15.

JH presented updated project costs spreadsheet and model of captured value, taxes and program.

John Eldridge discussed the efforts taken to mitigate the Town's risk. Typical options with a developer such as Credit Enhancement Agreements and Letters of Credit, are problematic in this case because there is more than one landowner/developer involved. Through discussions with the lead developer it has become clear that his preference is to provide an additional \$200K cash contribution to the road construction.

JR – based on model presented, when would \$1.4M Town cost be recovered? 8 years.

SB – question about estimated building values? Based on developer's estimates X 70% X 80%, and spread over 5 years rather than 3 years estimated by developer.

JE – Town could structure the agreement to put in “triggers” that the Town won't do certain things (ie. Start building the road) until the developer has contracts in hand.

JM – Possible to put liens on property if development doesn't happen? Not recommended.

JR – good to shelter more now based on what's happening in Augusta.

Committee agreed to take this to the full Council for consideration, noting that the Town's risk could be lowered to approx. \$900K: the Town would work on Thomas Point Rd in any case (\$300K); the developer will contribute additional cash (\$200K); the Sewer District will likely share in the project.

9. Non-union personnel COLA

John Eldridge presented a proposal for a cost of living increase for non-union employees.

2% increase of scale – Non-union hourly employees

1.5% one time payment – Deputy/assistant dept heads (salaried)

1% one time payment – Dept heads (salaried)

Total cost would be approximately \$30K.

SB – support for hourly employees COLA only

JR – concerned about overall budget – should be part of 2015-16; retroactive 2% for hourly; how relative to other communities?

JM – salary survey she did indicated we are in line with other communities; hard to do anything when facing budget issues

Committee would like to see a comprehensive salary study.

6a. Governor's budget implications

2015-16 budget is not affected except for Homestead Exemption issue – Assessor not able to quantify this yet because she doesn't know how many homeowners are over 65 years old.

JM – she and Dan Harris went to the hearings in Augusta on 2/18/15, and it was sad to hear the small towns testify – they will struggle with the reduction in revenue sharing, with no offsetting value to be added from taxing non-profits.

JE discussed the question of taxable non-profit entities. The Town does not have assessed values for the largest non-profits yet – the largest likely being Bowdoin College.

One downside of this proposal could be the effect on State Aid to Education – could be half of what the Town might gain in taxes. Current EPS says 8 mils for education. $\$27.40 \times 70\% = \19.18 ; \$8 is 42% of \$19.18; of \$2M increase in taxes, that would be \$840K...

Request to provide timeline of when the elements of the Governor's budget proposal are scheduled to come into effect.

Public Input:

Discussion of the Cooks Corner project, and the current status of retail malls