

Town of Brunswick, Maine

Finance Committee Meeting

Wednesday, June 18,, 2015

3:30 – 5:00 PM

85 Union Street – Conference room #206

Meeting Minutes (Approved 7/23/15)

Committee Members: Sarah Brayman, Jane Millet, John Richardson

Staff: Julie Henze, John Eldridge

Others: Chris McCarthy (School Board), Richard Fisco

1. Acknowledgement that Meeting was Properly Noticed

JH confirmed that the meeting was on the Town Calendar

2. Committee approved the 5/6/15 Meeting minutes (received 5/13/15)

3. Committee approved the 5/13/15 Meeting minutes

4. Adjustments to agenda / Public comment

JE added item – to deliver copy of Fire Department union contracts matrix at end of meeting.

Public comments – later in meeting.

5. Budget Process “post-mortem” – Pros/Cons & Suggestions for improvement

(Chris McCarthy participated in discussion to contribute school board perspective)

- Discussion of MCHPP funding question. Agreed that it was a distraction during the budget process. SB pointed out that a task force has been appointed to work on a formal process for funding social service agencies.
- SB – budget calendar was a problem; May was a very tight month; would have liked to hear the School Dept presentation earlier. Feels we need to get better at talking about the drivers of the budget; heads up from the manager during the year. Mixed reviews on department presentations; would like to see those before May 1. Council’s “job” is to set the tax rate – how can that work earlier?
- CM – challenge is the back-and-forth between Manager/Council and School and the timing - Council didn’t do “public part” until late. Feels it should be a “bottom up” budget – job of superintendent and TM is to determine what is needed to run the Town.
- JR – macro concept: Council sets policy, gives TM and dept heads latitude to run programs. Interested to find out about budgeting “best practices” – what do others do? Large % of budget is “locked in” - ex. collective bargaining agreements (CBAs)
- JM – Council actually has very little discretionary power. Personally doesn’t just look at the tax rate “number”. Feels that we have gone on “wants” for a very long time and this is changing.
- SB – In the end, comes down to competition for scarce resources (funds); municipal services are not glamorous, but are required; Council answers to the taxpayers for the tax rate.
- JR – Suggestion: start with flat funded budget. Add “locked in” increases. Use changes in revenues and possible tax increase from increased valuation. Determine “amount to play with”. Work on priorities.
- JE – Valuation has not increased significantly over the past 10 years. State revenues have decreased. Even flat funding is a challenge. Grocery store analogy – needs better management during the year to control the addition of services and costs. Regarding timing:

When the law changed to require a school budget validation referendum it changed the deadline for the Manager's budget to May 1 (lost 2 weeks). Also, the Council in the past had the School Board budget before Patriot's Day. Recommends getting the Finance Committees together to work on this.

- CM – members of the School Board will never respond well to the perception of a tax rate “pulled out of the air”.
- JR – question is more on the budget development process. Would it help to have a budget calendar for the steps –including the School Dept?
- CM – notion of date certain would be helpful. Some aspects of the budget are dependent on external input (revenues for example).
- SB – would like to look at how other towns manage the process
- JE – In the past, have done the municipal budget alone, put it on a shelf. When total budget is put together everybody realizes it can't work and have to do the municipal budget again.
- JH – Happy to look at other towns. During budget we did a tax rate survey and it appears most do it the same as Brunswick.
- JM – Feels that a town-wide values discussion is needed.
- JR – Personally builds budget with 1.7% COLA as base (for people on fixed incomes), then looks into the future for priorities. Would like to have combined meetings to understand how others are approaching the budget.
- SB – We need to remember that people will disagree. Defends the right of Councilors to start with a tax rate. She personally starts a bit higher than 1.7%.
- JE – One side is based on increases and limiting increases, the other side is needs-based. 80% of budget is people. Feels we need to start soon with discussion between two groups. April/May is too late to begin cooperation, has to be a year-round process. If Council tells TM 0% tax increase, TM has to start peeling things off.
- SB – That's what happened this year.
- CM – based on this economy and limited revenue sources – what will give? Need better understanding of CBA strategy. Can help if communicated well.
- JR – suggestion for presentations: Dept heads present to Finance Committee; TM present summary/abbreviated version to full Council. Allows time and possibility for more discussion within Council.
- SB – municipal side doesn't get story across (stagnant/declining staff handling more services), feels public deserves to hear how their money is being spent.
- JR – public participation is low because citizens rely on elected official to maintain services.
- JM – perception is reality. Most people don't care unless something goes wrong or services go away.
- JE – Cooperation between School/Town can only help
- CM – year long process. Need to trust managers (superintendent, TM) to run the programs. Elected officials responsible to find out what the people want.
- JR – yes, year-round. Finance Committees should get together; Town-hall forums
- SB – concerned with getting a true picture from the citizens, not just the vocal minority
- JE – with collaboration and strategic planning we can get better commonality & clarity on how the budget is being approached. Looking for marching orders.

Public Comment

Rev. Fisco spoke – Hard times for citizens. Council should not underestimate the wish to keep tax rates down. Town needs to look at benefits provided to employees.

6. Salary adjustments for non-union employees

JE provided information on three categories of employees not covered by collective bargaining agreements (CBAs): Salaried Department Heads, Salaried Employees (Deputy Dept Head level), and Hourly Employees. The last category formerly included Parks & Rec maintenance positions, which are now part of the Teamsters Union. 28 non-union employees did not receive a cost of living increase in 2014-15.

JE provided the cost of three levels of COLA for each category of employees, recommending 1% for Salaried Dept Heads, 1.5% for Salaried Employees, and 2% for Hourly Employees. The 2% is the equivalent of 1% per year for two years (14-15 and 15-16). Total cost \$27,576.

- JR – problematic with timing of CBA negotiations; would give 1% to Hourly Employees and look at Salaried positions later.
- JM – why not look at salary survey?
- JE – Saco salary survey is under way – may be useful for Dept Heads, other positions more difficult to compare. *Get copy of survey.*
- SB – hears that 1% COLA on scale for hourly would be acceptable
- JE – could do a one-time adjustment for dept heads later; doesn't want hourly employees to go another year with zero
- JR – by 2016-17 will be able to get better parity between unions
- SB – approves of possible one-time adjustment for salaried employees, rather than COLA
- JE – parity between groups will be helpful. Also need to look at benefits.
- JR – notes that in the list of Maine towns by per capita income, Brunswick is #108. *Get copy of list.*

Conclusion: 1% COLA on scale for non-union hourly employees; other non-union employees to be considered later in the year

7. Update on town fees/revenue ordinance project

Not discussed.

8. End-of-year Town Council meeting

Not discussed.

9. Suggestion to record Finance Committee meetings

Not discussed.

10. Review list of follow-up items

Not discussed.

Remaining left over from 5/6/15 meeting, updated by JH:

1. Complete a salary survey – get copy of survey that Saco is working on
2. Revenue ordinance – task has been reassigned to Finance Department, to be completed by October 1, 2015
3. Review of budget process suggestions / collect info on practices in other municipalities / develop timeline starting soon / develop strategy for communication and collaboration year-round

11. Meeting adjourned.