

Town of Brunswick, Maine
Finance Committee Meeting
Thursday, September 17, 2015
3:30 – 5:30 PM
85 Union Street – Conference room #206

Meeting Minutes (Approved 10/15/15)

Committee Members: Sarah Brayman, Jane Millett, John Richardson
Staff: Julie Henze, Jim Oikle, John Eldridge (arrived 4:15)
Others: Jean Powers

1. Acknowledgement that Meeting was Properly Noticed

JH confirmed that the meeting was on the Town Calendar

2. Adjustments to agenda / Public comment

Move item #4 down until John Eldridge arrives.

3. John Richardson moved, Sarah Brayman seconded, to accept the 8/27/15 Finance Committee Meeting minutes. The motion carried unanimously.

5. MainePERS IUUAL funds returned

MainePERS recently returned \$136,481.19 to the Town, which represents the remaining balance of the surplus the Town brought into the PLD plan in 1993 (the IUUAL balance). The town manager and finance director are recommending that these funds be allocated to the Vehicle Reserve Fund, which has not been funded sufficiently to cover certain larger vehicle replacements. For example, the Fire Department will need to replace an ambulance, and the Parks & Recreation Department has requested a sidewalk tractor/snowblower. The sidewalk tractor was listed in the 2016-20 CIP, and was discussed by the Council in March, 2015. In the CIP the proposed method of funding was bonds, so the Council should expect to have the purchase request come before them again for approval and funding.

At this time, JH is requesting agreement from the Committee on the concept of utilizing the surplus funds for the Vehicle Reserve Funds. The next step will be to bring a budget amendment proposal before the full Council.

The Committee discussed the funding of Vehicle Reserves, and reviewed the principles of the CIP, noting that acquisitions to be funded by debt should have a cost of at least \$325,000, though Council may authorize debt for items that have a cost of at least \$100,000. The intention of the CIP is to fund the Vehicle Reserves to a sufficient level to allow for a regular vehicle replacement schedule and avoid the need for large swings in appropriations and/or bond funding.

The Committee agreed with the recommendation to allocate the IUUAL balance to the Vehicle Reserve Funds.

Public comments:

Jean Powers: The ambulance should be a priority. Her opinion is that the Town charges very low fees for ambulance service, should increase rates. Regarding the sidewalk tractor/snowblower - concerned that the Town is clearing snow for other entities at no charge, would like to know who they are.

Regarding the revaluation project – feels this should be done. Many renovations have not been recorded, and new buildings are valued higher than older, renovated buildings.

6. Finance Report

- (a) August expenditure and revenue reports – JH reported all as normal, pointing out:
In revenues: Property tax revenues will show up as actual in September report. The way the billing is recorded, the entire revenue is booked at the time of commitment. The collection timing is not evident in this reporting format.
In expenditures: Transfers out shows \$50,000 over budget. This is for the 3rd installment on the telephone system from the capital budget. This amount will be booked in the revised budget column in September, bringing the available column to zero.
- (b) GASB 68 impact on 2014-15 financials – JH presented Stmt 1 (government-wide balance sheet) of the Town's 2013-14 CAFR to explain the purpose and effect of GASB 68. GASB 68 is intended to provide information about the government's pension obligations to the readers of the financial statements. This will require the recognition of a net pension liability, representing the Town's share of the pension plan's actuarially determined cost of employee pensions net of pension fund assets. This liability will be presented in the financial statement which also includes the Town's capital assets (land, buildings, infrastructure, etc.) and long-term debt.
For the fiscal year ended June 30, 2015, the net pension liability is estimated to be \$3,962,825. The Committee discussed Stmt 1, including the values of capital assets. The effect of GASB 68 will be to reduce the unrestricted category of the governmental activities net position.

8. Review list of follow-up items

- (a) Recording/televising Finance Committee meetings – not discussed
- (b) Revenue ordinance – JH reported progress in identifying all revenues, charges, fees and fines within the Town Ordinances. Will be making a proposal to extract these into a schedule, and reference the schedule as an appendix to the ordinance. By the next meeting will have a suggested schedule, including dates indicating when each fee/charge was last modified, as well as language changes for the Ordinances. The next step will be to review the rates and perhaps develop a matrix for comparison of Brunswick's fees to other municipalities.

4. Financial models required for joint Town Council/School Board

Sarah Brayman - Leadership of the two boards met on Tuesday, 9/15 to establish an agenda for a joint Council/School Board workshop on Thursday, 9/23. The meeting is expected to be in three sections, the first of which will focus on financial modeling of possible school repair/construction scenarios.

Committee wants to model four scenarios: (1) \$12.5M – 10 year repair; (2) Repair Junior High, Replace Coffin; (3) Repair Coffin, Replace Junior High; (4) Hybrid solution – Jane Millett's suggestion on 8/3? Start with modeling debt service to illustrate how the tax rate would be affected, and what the long term costs would be. Also want to factor in "life-cycle costs" – energy efficiency, savings on maintenance and repairs – for old vs. new buildings. Get these numbers from PDT.

Intention is to provide a tool for quantifying and evaluating the costs/benefits of possible construction options.

7. Review long-term financial planning model

Not discussed

9. Adjourn

Follow-up items – compiled by JH

- (a) Suggestion to record and/or televise Finance Committee meetings – to be discussed further with full Finance Committee.
- (b) Complete a salary survey – Saco survey was not very helpful; Jessica is requesting a quote from the consultant to give Brunswick access to more of the data.
- (c) Revenue ordinance – task has been reassigned to Finance Department, analysis to be completed by next Finance Committee meeting.
- (d) Provide list of Parks & Rec Dept sidewalk plowing routes – entities other than Town and School?