

Town of Brunswick, Maine

**Finance Committee Meeting
Thursday, December 17, 2015
3:30 – 5:30 PM**

85 Union Street – Conference room #206

Meeting Minutes (Approved 1/21/16)

Committee Members: Sarah Brayman, Jane Millett

Staff: Julie Henze, John Eldridge, Branden Perreault, Jim Oikle

Others: Councilor Dan Harris
Jean Powers, Richard Fisco, Marc Theberge

1. Acknowledgement that Meeting was Properly Noticed

JH confirmed that the meeting was on the Town Calendar

2. Adjustments to agenda / Public comment

JH suggested discussing item 1b. and 1c. before 1a.

Public comments:

Jean Powers: Feels FC should be aware that the Rec Commission is going ahead with planning the Aquatics Facility and the Lamb Boat Launch, even though it is not likely the projects will be funded. Kudos to John Eldridge for dealing with the Growstown School situation and saving money. Advises that the trim on 85 Union St needs to be replaced very soon. At least re-attach the kick board. (JE responded that he will look into re-attaching; considering Azek (PVC) instead of wood for the trim.)

3. Jane Millett moved, Sarah Brayman seconded, to approve the 10/15/15 Finance Committee Meeting minutes. The motion carried unanimously.

4. b. 2014-15 CAFR

JH handed out copies of the Comprehensive Annual Financial Report for the year ended June 30, 2015. The auditors finished their work in early December and have issued an unmodified (“clean”) opinion on the Town’s financial statements. JH recognized the work of Branden Perreault, Deputy Finance Director, in the preparation of the statements and assistance with the audit.

c. Schedule auditor presentation

The auditors are available in January to present the audit reports to the elected officials. For many years this was to the Audit Committee, which consisted of Council and School Board members. When it was created, the Finance Committee assumed the duties of the Audit Committee. Last year the auditors made two presentations: to the town and school Finance Committees in January, and then to the full Council in March.

Proposal to schedule joint meeting of the Finance Committees in January – evening meeting, televised – and invite members of School Board and Council. (*Postscript: Meeting scheduled for Thursday, January 21, 2016*)

a. November expenditure & revenue

JH report – revenues and expenditures tracking as expected. Handed out historical graphs of State Revenue Sharing and Excise Tax revenues. Excise tax profile reflects economy. Revenue Sharing affected by state transfers out of the pool since 2009-10. Reductions to Brunswick were approx. \$1M in past three years.

5. Capital Improvement Program

a. Review/accept 12/2/15 workshop notes

Accept notes as written

b. Review of projects

Library carpet – Melissa Hall is new facility manager, and recently updated the project with revised quotes. Previous estimates had not included moving the books, so the project total is now significantly higher than that in the CIP. JE and JH met with Melissa, and she is looking into other alternatives to lower the cost.

School projects at Coffin & Junior High – Discussion of the School Board process and how it interfaces with the CIP schedule. The manager’s CIP included the projects presented by Paul Caron to the School Facilities Committee and School Board, and represents the \$12.5M repairs spread over 5-7 years. Finance Committee is not satisfied that this adequately reflects the actions of the School Board and Town Council, and is not likely to be the final outcome.

CIP is a public document and needs to be neutral, but development of the CIP is happening concurrent with the School Board’s process. School will be conducting a public forum in January, and after that will work toward a decision. Results of SRRF applications will be available after February 1st. How to accommodate these within the CIP schedule??

JH suggestion to move all but SRRF projects into the ‘in development’ section of the CIP. Committee would also like to see model of new school, not just the repair options. Question about life-cycle/operational costs data... not yet provided by PDT. Create multiple ‘working versions’ of the CIP?

c. Revised CIP development/presentation schedule

Finance Committee aim to present CIP to Council 3/7/16. This assumes some resolution on the school dept projects and how to present them.

6. Tax Increment Financing Districts

a. TIF development programs – permitted uses of TIF revenues

JH presented pages from the Downtown TIF and Brunswick Landing TIF development programs, detailing the project categories allowable for the use of TIF revenues. The Brunswick Executive Airport TIF has the same permitted uses as Brunswick Landing. The Molnlycke TIF has the same list as well, with the exception of #6 – School construction/renovation.

b. Tax shift calculations

JH presented two tables titled ‘Estimated Tax Shifts’ to demonstrate the benefits already realized by the Town for the establishment of TIF districts. JE explained how sheltering real estate value in a TIF district removes that value from the state calculations for education aid and revenue sharing, and from the state valuation for county tax. By not

counting that value, the formulas generate more state aid and lower county taxes for the Town.

Municipal TIF decisions are typically based on the calculation that a \$1 increase in taxes reduces state aid by \$0.50. Tax shift tables indicate that of the \$0.50 benefit of the TIF sheltering, approximately \$0.40 is in education aid.

c. Development of TIF budget

JH presented a sheet with the four current TIF districts and the revenues/expenditures of each. In the past several years, the bulk of the TIF revenues have been used to pay down the cost of the Maine St Station project, with the final pay back in the current year. Beginning with 2016-17, the Town will begin budgeting for the use of TIF revenues in the allowable expenditure categories.

7. Review list of follow-up items

a. Next steps with “revenue ordinance”

Fire Department ordinance amendment and updated fees to be brought to the Town Council on Monday, January 19, 2016.

8. Adjourn