

Town of Brunswick, Maine

**Town Finance Committee
Thursday, September 15, 2016 ~ 3:30 PM
85 Union Street – Town Council Chambers**

Meeting Minutes (Approved 10/20/16)

Committee Members Steve Walker, Alison Harris, Dan Harris

Staff: Julie Henze

Others: Richard Fisco, Town Councilor Jane Millett

1. Acknowledgement that Meeting was Properly Noticed

JH confirmed that the meeting was on the Town Calendar

2. Adjustments to agenda / Public Comment

No adjustments to agenda
No public comment.

3. Approval of meeting minutes from 8/18/16

Alison Harris moved, Dan Harris seconded, to approve the 8/18/16 Finance Committee Meeting minutes. Steve Walker abstained as he was not at the meeting. Motion carried.

4. Organizational

a. Select chair/vice chair

Dan Harris nominated Steve Walker for chair; Dan Harris nominated himself for vice-chair; Alison Harris nominated herself for vice-chair

Votes: Steve Walker for chair – 3 votes, approved

Dan Harris for vice-chair – 2 votes (DH & SW), approved

Alison Harris for vice chair – 1 vote (AH)

b. Review Finance Committee Policy

JH presented redlined Finance Committee Policy, incorporating previous meeting's suggestions for amendments/clarification: 1) Committee members serve two consecutive one year terms, plus partial year if join committee mid-year. 2) Recommend that meetings should be recorded and/or televised. 3) Add review fee schedule to list of responsibilities.

After brief discussion, Committee accepted suggested amendments. *DH moved, SW seconded, to recommend amended policy to Council for adoption. Motion passed with all in favor.*

c. 2016-17 proposed Finance Committee calendar/schedule of work

JH presented an updated Finance Committee calendar for 2016-17, which includes three Finance Committee-hosted budget workshops in March 2017, as well as specifies the meetings which will include reviews of certain fees:

The Town Clerk's fees will be reviewed at the 11/17/16 meeting, with expectation to bring a recommendation to the Council on 12/5/16 to set a public hearing on 12/19/16. Adoption could be on 12/19/16 or 1/17/16 to allow for updated fees to be in effect by mid-February 2017.

Mere Point Wastewater fees will be reviewed at the 5/18/17 meeting, in advance of the 2017 summer season in order to evaluate status of sinking fund for capital improvements.

Discussion of the joint Town/School Finance Committee meeting proposed for 10/20/16, and how that might be structured. SW will talk to Sarah Singer, chair of the School Finance Committee.

5. Finance Report

a. August revenue & expenditure reports

JH discussed the monthly budget reports as of August 31, 2016. On the revenue report, JH noted the revenues associated with the 221 tax liens which were filed on 8/26/16. At time of filing, the outstanding interest and the lien costs (primarily Registry filing fees and certified mail costs) are booked as a receivable, and recognized as revenue. Also within the Taxes category, JH noted that excise tax receipts for August were strong, at nearly \$60K more than August 2015. Within Other revenues at the end of the report, is \$36.5K in Gen Govt Asset Sales, which represents the amount received on the sale of tax acquired properties above the outstanding taxes and fees.

No comments on the expenditure report.

b. Natural gas fixed price option (FPO)

JH presented a graph comparing natural gas index prices and fixed prices since Sept 2010. Maine Natural Gas offers a FPO each year in August, with the contract year running Sept 1 to Aug 31. This year the FPO is \$0.6740 per therm. Last year's FPO was \$0.8219. Historically the Town did not choose the FPO, but since 2013-14 the prices have become more volatile and the FPO is more attractive. JH stated that based on the price profiles from the past several years, it was decided to lock in the \$0.6740 price for 9/1/16-8/31/17.

c. Banking Request for Proposals (RFP)

JH informed the Committee that the Finance Dept is preparing an RFP for banking services. The RFT is in draft form at this time, and incorporates the proposed Investment Policy guidelines. The anticipated schedule is to issue the RFP on 10/14/16, with the deadline for submissions 11/14/16, Results to be brought to the Finance Committee at the 11/17/16 meeting, and selection/award completed by the end of November.

Discussion by the committee, and clarification that the RFP is for the daily depository and disbursement banking services. Requirements are for a local branch equipped to handle large daily deposits, as well as secure check control systems and a robust online interface. As specified in the Investment Policy, the Town reserves the right to establish relationships with multiple investment firms and banks for longer term investments.

RFP notice will be published in the paper, on the website, and sent to local banks. JH will provide copies of final RFP to Finance Committee members prior to publication.

6. Investment policy update

JH provided the current investment policy, which was adopted in 1985, and a draft of a new investment policy. Draft was adapted from the Government Finance Officers Association best practices and model policy. At the previous meeting, the Committee discussed the general objectives of the policy, the allowable investments and historical practices. Action was postponed to allow for further review/changes. Changes proposed: Page 1, III. – JH will elaborate on the funds which are not covered by this policy. Page 3, VI., 1. – Add specific time for periodic review – maximum of 5 years. Page 5, X., 2. – Add language clarifying that the independent auditor works for, and reports to, the Council rather than management (change to be finalized with AH). JH will send final draft to Committee for confirmation of the suggested changes.

DH moved and SW seconded, to recommend adoption of the Investment Policy (with suggested changes) to the Town Council. Motion passed with all in favor.

7. Tax Increment Financing (TIFs)

JH presented a list of the current TIF Districts, including the Development Program elements and the 2016-17 TIF revenues for each district. JH also noted that the Town received DECD's approval

of the first amendment to the Brunswick Landing and Brunswick Executive Airport TIF Districts Development Programs on Weds 9/14/16. Committee reviewed and discussed the eligible uses of TIF revenues, including credit enhancement agreements. JH also presented the Assessor's documents from the 9/1/16 tax commitment, indicating the captured values in the four TIF districts, as well as a comparison to the prior year's commitment. Discussion of the 'tax shifts' that are calculated to benefit the Town due to the sheltering of value through TIF districts. JH presented the amounts calculated for 2016-17 from just the Brunswick Landing and Brunswick Executive Airport TIFs: \$40,476 more in Revenue Sharing; \$387,470 more in State Aid to Education; \$36,567 less in County tax - total benefits estimated at \$464,513. Committee concluded with a brief discussion about the possibility of a new connector road at Cook's Corner, and the potential for an additional TIF district in that area.

8. Adjourn