Meeting Minutes (Approved 8/17/17)

Elected Officials: Alison Harris, Jane Millett, Kathy Wilson

Staff: John Eldridge, Julie Henze
       John Foster, Branden Perreault, Kelly Wentworth

JH opened the meeting, stating that as this is the first meeting of the fiscal year, and a newly seated committee, the first order of business should be to elect a chair. Suggested taking items 5a and 5b first, and following that, the meeting can proceed in the order of the agenda.

JH requested nominations for Finance Committee chair. Alison Harris nominated Kathy Wilson. No other nominations were put forward. Vote results: 2 in favor (AH & KW), 1 opposed (JM). Kathy Wilson is elected chair.

KW asked for volunteers for vice chair of the committee, and there were none. Committee determined it could proceed without a vice chair.

1. **Acknowledgement that meeting was properly noticed**
   JH confirmed that the meeting was on the Town Calendar

2. **Adjustments to agenda / Public comment**
   **Adjustments:**
   JM proposed discussion of adding citizen members to the committee. To be added to Item 5c, review of the FC policy.
   **Public comment:**
   Jean Powers – Commented on the Town’s approval of the budget and the State’s change of Homestead Exemption reimbursement to the Town. In the 2017-18 budget adoption and referendum, the first $400K in additional state aid to education was directed to restore expenditure cuts, the next $200K was directed to tax relief, and any funds in excess of $600K would go into the School fund balance. The final state budget allocated an additional $628K in state education aid, so $200K will be allocated to reduction in taxes.
   With the final state budget, the Homestead Exemption reimbursement was changed from the expected 62.5% to 50%. As a result, it is estimated the Town will be receiving approximately $228K less than anticipated in the budget, offsetting the tax relief from the additional education aid. Proposed that the Town use some of the proceeds from the sale of 946 Mere Point Rd to make up the difference in the Homestead reimbursement. Feels that as the Council and the public voted on the expectation of a 2.5% tax rate increase, the Council should stick to that.

   Committee discussed the increase in the Homestead Exemption from $15,000 to $20,000, and the reduction in the Homestead Exemption reimbursement percentage from 62.5% to 50%. Noted that any change in the use of funds from the sale of 946 MP Rd or the municipal budget would require Council action.
3. Approval of meeting minutes from 4/20/17
As all present committee members were present at the April meeting, AH moved, JM seconded, minutes unanimously approved.

4. Approval of meeting minutes from 6/15/17
AH and JM were present at June meeting. AH moved, JM seconded, KW abstained. Minutes approved with two votes.

5. Organizational
   a. Welcome Councilors Kathy Wilson and Jane Millett – Completed prior
   b. Select chair/vice chair – Completed prior
   c. Review Finance Committee policy

JH stated that the FC policy is on the agenda as a routine item at the start of each fiscal year, providing an opportunity to review the committee duties, ask for any clarification and consider possible changes. JM has raised a question on the composition of the committee membership, with the suggestion to add citizen members.

Discussion of the purpose of the committee - primarily intended to benefit Councilors to become more aware and gain understanding of the financial matters of the Town. JE stated that he is opposed to adding citizens to the committee, citing Brunswick’s charter and Council-Manager form of government. FC is intended to function as a subcommittee of the Council, to be advisory, and while always welcoming the involvement of the public, JE feels the voting members should be Councilors.

Committee discussion on the responsibilities of the Council and engagement of the public. FC would like to encourage more public participation, and would also like more Councilors to feel welcome and be more engaged with the FC. Discussion of the timing of the meeting – would an evening time encourage more attendance? Committee has latitude to change meeting time, and will investigate other options for the meeting times. Addition of citizen members not supported by majority of the committee.

Public comment: Jean Powers stated that she feels that changing the time will not bring any more people to the meetings. Many retirees are available during the day, but still don't attend. Young families are busy in the evenings.

d. 2017-18 proposed calendar/schedule of work
JH presented draft schedule for 2017-18 FC meeting, based on the current times – third Thursday at 3:30 pm. The overview of the FC work schedule includes financial topics to be considered by the FC during the year. Suggestion to add more joint meetings with the school finance committee.
AH expressed preference to look at the FC schedule in the context of the full annual meeting schedule and consideration of the budget development process. (Her comments on the budget process included below in item 8)

6. Storm Drain Ordinance
JH provided a review of the process to date, which staff began by intending to establish fees for new connections to the storm drain system, and finding the lack of any reference to storm drainage in the current Town Code of Ordinances, drafted a new section. The first draft was reviewed by the FC in April. Staff incorporated suggestions from that meeting, and submitted the draft for review by the Town Attorney.
The committee reviewed the draft, asking several clarifying questions. John Foster explained stream diversion and the difference between footing drains and crawl space pumps. AH noted that the ordinance now specifies the fines, and asked about the Town Attorney's review/suggestions.
These were mostly in the Violations/Enforcement section and counsel was particularly helpful with the enforcement procedures.

**AH moved, JM seconded, to recommend this draft of the Stormwater Discharge Ordinance to the Town Council for adoption. All in favor.**

7. **Property Tax Relief programs**

JH introduced the survey conducted by Branden Perreault, Deputy Finance Director and the matrix outlining the four communities which have property tax relief programs. BP described the types of programs allowed by the state, and briefly described the four programs identified. Discussion on the state program – Maine Property Tax Fairness Credit (MPTFC) – which is income-based and awards to both property owners and renters, and how this is used by some communities to ‘pre-qualify’ applicants to the local programs. Discussion of how the age data would be captured. Branden offered data from Maine State Revenue on the Brunswick recipients of the MPTFC. In 2015, of the 687 credits ($280 avg credit), 242 were 65 and older ($291 avg credit), and in 2016, of the 673 credits ($288 avg credit), 235 were 65 and older ($301 avg credit). Discussion of how the communities calculate tax relief in addition to the MPTFC.

Questions about administration, how to budget for the program. JE stated that the program and application process would require some thought. Suggested possibility of picking an appropriation as a cap, regardless of number of eligible applicants.

Public comment: Jean Powers stated that the program should be for homeowners/primary residence/70+ years of age. From the MPTFC, no-one she knows has received more than $250. Proposes that the Town should approach business owners/developers for contributions to fund the program. Suggests including notice with tax bills in April. Feels this is an important program to pursue.

JM pointed out issues with proving financial need. Discussion of the administrative details of a local program, the possible funding sources and the funding level. FC proposes to continue investigating the possibility of implementing a local program. Agreed on certain general parameters:

1) Applicant must apply and qualify for the MPTFC;
2) Taxes must be paid before applying;
3) 70+ years of age;
4) 10 years of residency

**Committee directed staff to develop the general outline of a program, with the intention to bring a concept proposal to the Town Council for approval to continue further development of a tax relief program.**

8. **2017-18 Budget process review - Recommendations for 2018-19 Budget**

AH comments from earlier in meeting: Feels that we should not follow last year’s calendar for the 2018-19 budget. Would like to move the budget schedule earlier, so that the scheduled budget adoption is not so close to the referendum date. Feels conversation in the Finance Committee needs to start earlier – looking at debt service, anticipating possibilities for taxes, and start talking with TC about appropriate tax levels for the next few years. Ideally TC would agree as to what the tax rate should be for the coming year. Hopes to do the budget with the school board rather than in opposition, and through discussion, find agreement on what the ‘split’ should be.

AH raised the question about the purpose of the budget workshops. Provides Council with a deeper understanding of how the departments operate and what their challenges have been. What is the main purpose and when is the best time for these presentations? JM pointed out that the metrics provided by the department are very important information for the Council. JE stated that the
intention is not for department heads to ‘plead their case’ with the TC, but rather to provide information on service levels, comparisons with other municipalities and funding implications. Would be open to providing the Mgr’s budget earlier so that the department presentations are on the Mgr’s numbers. The only problem is trying to incorporate the school piece in order to get a feeling for the tax component. AH stated that if the TC can give direction on the taxes, then the Mgr and the School Dept can work within the stated available funds (somewhere between ‘cap’ and ‘goal’). JE agreed that in the end budgets usually come down to a negotiation over the property tax rate, and having a clearly stated goal early would be helpful. Discussion of getting a number from the TC, a formal communication to the school board, and negotiation on the share of the taxes.

Public comment: Jean Powers pointed out that the State is reducing funding of school administrators salaries. Feels budgets should work within set limits on the property tax increase = 3% or less. Would like budgets to be developed earlier, and compiled by April 1st. Commented on discrepancies between municipal and school salaries of comparable positions.

(JM had to leave meeting)

JE and JH agreed to work on suggestion for budget process.

9. Long-term financial planning – Tabled to next meeting.

10. Finance Report
   a. Skipped review of June budget reports.
   b. 2017-18 taxes – nothing to report as Revaluation numbers not yet available.
   c. Tax-acquired property for auction August 1st. JH reminded the committee of the one property being sold – a .43 acre parcel of land on Range Road. Notice has been posted on the website, six times in the Times Record, on TV3, in several locations around Town Hall, and certified mail was sent to abutters. AH suggested an email to Councilors with the Notice of Sale and Bid Forms.

11. Adjourn