

## **Town of Brunswick, Maine**

**Finance Committee Meeting  
Thursday, October 17, 2019  
6:00 – 7:30 PM  
85 Union Street – Council Chambers**

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### **Agenda**

1. Acknowledgement that meeting was properly noticed
2. Adjustments to agenda / Public comment
3. Approval of meeting minutes from 9/19/19  
**REQUESTED ACTION – Approval of minutes**
4. 2018-19 Audit – Hank Farrah, Runyon Kersteen Ouellette
5. Update on Property Tax Assistance Program
6. Kate Furbish Elementary School – modeling possible debt service
  - a. Original model
  - b. \$28M – 25 years – 3%
  - c. \$26M – 25 years – 3%
  - d. Effect of interest rate and debt service structure
7. Next meeting reminder – November 7, 2019 CIP Workshop at 6:30 PM
8. Adjourn

## **Town of Brunswick, Maine**

**Finance Committee Meeting  
Thursday, September 19, 2019  
6:00 – 7:30 PM  
85 Union Street – Council Chambers**

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### **Meeting Minutes** (DRAFT)

Elected Officials: Christopher Watkinson (chair), Dan Ankeles  
Absent: John Perreault

Staff: John Eldridge, Julia Henze, Nicholas Cloutier  
Kelly Wentworth

#### **1. Acknowledgement that meeting was properly noticed**

JH confirmed that the meeting was properly noticed.

#### **2. Adjustments to agenda / Public comment**

No adjustments to the agenda.

*Jean Powers:* 1) Station Ave lights have been out for awhile; 2) Question on status of Town's Property Tax Assistance program. (JH responded that the Town has received 19 applications to date, deadline is November 1<sup>st</sup>.) 3) Stated that the new Town website has 'hiccups'; 4) Question on status of requesting funds from Portland for the asylum seekers. 5) Question if the winter clothes needs of the asylum have been considered. (DA answered that the Emergency Action Network (TEAN) group will be responsive to this, not only for the asylum seekers.)

*Robert Broderick:* Question on the Assessor's attachments regarding value of buildings. Stated that Landing Road in Cook's Corner is very nice.

Dan Ankeles asked if it would be possible to determine who is eligible for the Town's Property Tax Assistance Program and automatically enroll people. JH responded that the Town a) does know the ages of Town residents and b) does not know the income of the residents.

#### **3. Approval of meeting minutes from 8/22/19**

**CW moved, DA seconded, unanimously approved.**

#### **4. 2019-20 Tax Commitment**

a. Distribution of residential property values/taxes (Julia Henze)

JH introduced the Town Assessor Nick Cloutier, and reviewed data from the 2019 tax commitment. Final tax rate was \$19.72/1,000 (down from original budget

estimate of \$19.86 and amended budget estimate of \$19.77), a 4.23% increase from the prior year. JH reviewed data on the tax impact on single family homes in Brunswick. Median taxable value of single family residence is \$200,000, so tax bill would be \$3,957. Committee discussed rent costs in Brunswick, number of mobile homes, and next year's proposed increase in the homestead exemption.

b. Assessing Dept. Briefing (Nicholas Cloutier)

NC presented explanation of how properties are assessed, and what changes in value may occur from one year to the next. Described how Assessing Dept works with Planning and Codes to track changes associated with building permits. Outlined the process of assessing subdivisions and how the land is valued.

Discussed the homestead exemption change, the expansion of the BETE program and the State's legislation on solar panels. Other assessing value changes are due to ongoing evaluation of sales data, reviews of building conditions and analysis for accuracy and consistency. Presented an example of existing combined housing property split into separate parcels, and outlined the process used to assign value.

Committee briefly discussed the Walmart abatement appeal and the assessing methods to value large retail entities. NC confirmed that there have been questions from other businesses, but no other notable appeals. Stated that the statewide effort has been to use independent appraisals and consistent assessment methods.

**5. TIF Districts**

a. Review of districts

JH presented outline of existing TIFs, with dates, development program elements and 2019-20 revenues.

b. 2019-20 budget to actual

JH presented review of how the tax commitment lined up with the TIF budget. Reminded committee that the budget estimates both the value and the tax rate. Committee discussed how TIF revenues can be used, and how funds can be allocated between permissible uses. JE pointed out portability option to send TIF funds to a Downtown TIF, which may help to fund the downtown sidewalk project.

Committee discussed Fed reduction in rates and the yield curve. JE explained purpose of Fed rate reduction and effect on yield curve. Based on current 30-year Treasuries conditions for the upcoming borrowing in January should be favorable. Clarified that the cost of the BAN was approx. \$125,000 - \$20,000,000 at 1.28% for less than 6 months.

c. Tax shifts

JH presented estimated amounts of the additional benefit the Town realizes from the TIFs. Often overlooked, this benefit is significant. In 2019-20, State Aid to Education would be an estimated \$882,486 lower, State Revenue Sharing would be

\$122,799 lower, and the County Tax would be \$79,732 higher if the taxable values in the TIF districts was included in the Town's state valuation.

d. TIF totals since 2010-11

JH presented activity in the TIF districts over ten years, including total amounts paid in credit enhancements. Noted some significant projects (Station Ave and the Union/Mill Storm Drain) which have been funded through TIF revenues, and the cumulative amounts appropriated for ongoing costs, and for capital projects to be paid for over several years (Cooks Corner road, Engine 2). JH pointed out total estimated tax shifts over ten years.

Committee discussed the updated "1%" calculation resulting from the final tax commitment. JE stated that with the 2019-20 assessed taxable value, \$460,000 in budget equates to a 1% change in the tax rate.

## 6. Review Capital Improvement Program Policy

JH presented the CIP policy for annual review and discussion. The policy was amended in 2018 to reflect the Town's practice. JH outlined those changes, which were primarily in the schedule. There are no suggested amendments at this time. Committee discussed the CIP process and how it interfaces with the budget process.

The committee had a brief discussion with JE of upcoming budget process and how the Council is presented with current conditions/needs.

**DA moved to confirm review of CIP Policy, CW seconded, unanimously approved.**

JH listed upcoming meetings in November and December for the CIP:

11/7/19 – CIP workshop

11/14/19 – CIP workshop

11/21/19 – Regular FC meeting – workshop if needed

12/5/19 – CIP workshop

12/19/19 – Regular FC meeting

Committee discussed paving list. JE described StreetScan process, and proposed paving list will be included in 2021-2025 CIP.

## 7. Adjourn



**TOWN OF BRUNSWICK SENIOR TAX ASSISTANCE PROGRAM**

**MUNICIPAL PROPERTY TAX ASSISTANCE APPLICATIONS**

**DUE NOVEMBER 1, 2019!**

Through the Senior Property Tax Assistance Program, qualifying applicants may be eligible to receive a rebate.

Applications are available in person at Brunswick Town Hall at 85 Union Street, or online by visiting:

<http://www.brunswickme.org/property-tax-assistance-program-for-seniors/>



**Qualifications:** (for Taxpayers and renters)

1. 10-year Brunswick resident.
2. Applied for, and received, State of Maine Property Tax Fairness Credit.
3. 70 years old as of Nov. 1, 2019.

**Additionally requirements for property owners:**

4. Received homestead exemption as of April 1, 2018.
5. Property taxes paid in full through Nov. 1, 2019.

For more information, please contact Deputy Finance Director, Branden Perreault, at 207-725-6652 or [bperreault@brunswickme.org](mailto:bperreault@brunswickme.org) for more information.



**TOWN OF BRUNSWICK**  
**Town Manager's Office**  
**85 Union Street**  
**Brunswick, ME 04011**



**PROPERTY TAX ASSISTANCE PROGRAM**

**Application Deadline – November 1, 2019**

Name: \_\_\_\_\_

Home Street Address: \_\_\_\_\_

If different from home address, mailing address: \_\_\_\_\_

Home Phone Number: \_\_\_\_\_ Email address (optional): \_\_\_\_\_

**Please answer the following questions:**

YES NO

1. Has the applicant paid taxes, or rent, on a primary residence in the Town of Brunswick at the time of application and for ten (10) years prior to the date of application?
  
2. Has the applicant filed Form 1040ME and the Property Tax Fairness Credit (PTFC) for 2018? If yes, the Town will seek documentation from Maine Revenue Services of proof and dollar amount of the PTFC received.

*Please provide the Town of Brunswick, on my behalf, confirmation of the amount of credit I received from the State of Maine 2018 Property Tax Fairness Credit.*

\_\_\_\_\_  
*Signature*

\_\_\_\_\_  
*Social Security #*

3. Will the applicant be at least 70 years old as of November 1, 2019?
  
4. If a property owner, has applicant received the Homestead Exemption as of April 1, 2018? \_\_\_\_\_
  
5. If a property owner, has the applicant paid property taxes due through November 1, 2019?

N/A

**I declare that I have examined this application and to the best of my knowledge and belief, it is true, correct and complete.**

\_\_\_\_\_  
**Signature of Applicant**

\_\_\_\_\_  
**Date**

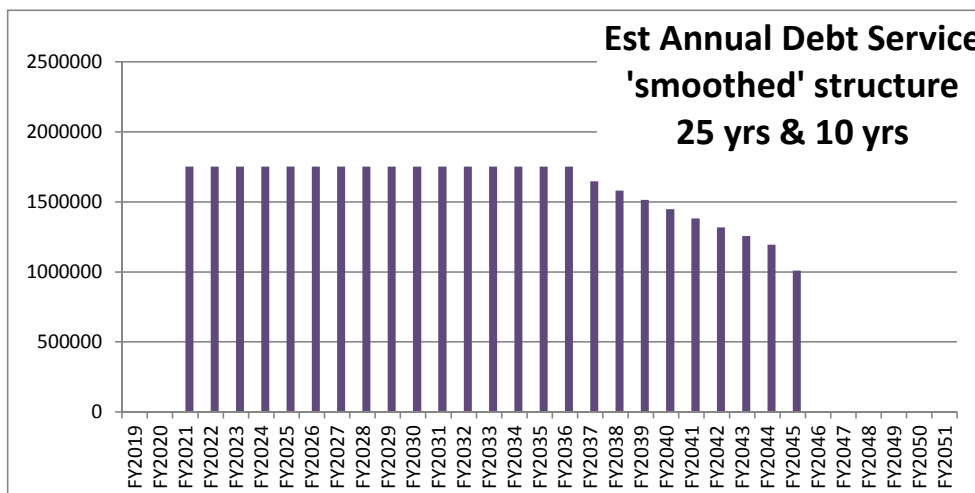
If you need any assistance with the completion of this form please contact the Town Manager's office at (207) 725-6659.

"Smoothed" Structure 25 yrs

New Elementary School only

	New Elementary	Junior High		
Amount	\$28,000,000	\$0	Current 1% Tax	\$400,000
Term	25	10	1% Tax Growth	0.00%
Rate	3.25%	3.00%		
Start Year	3	3		

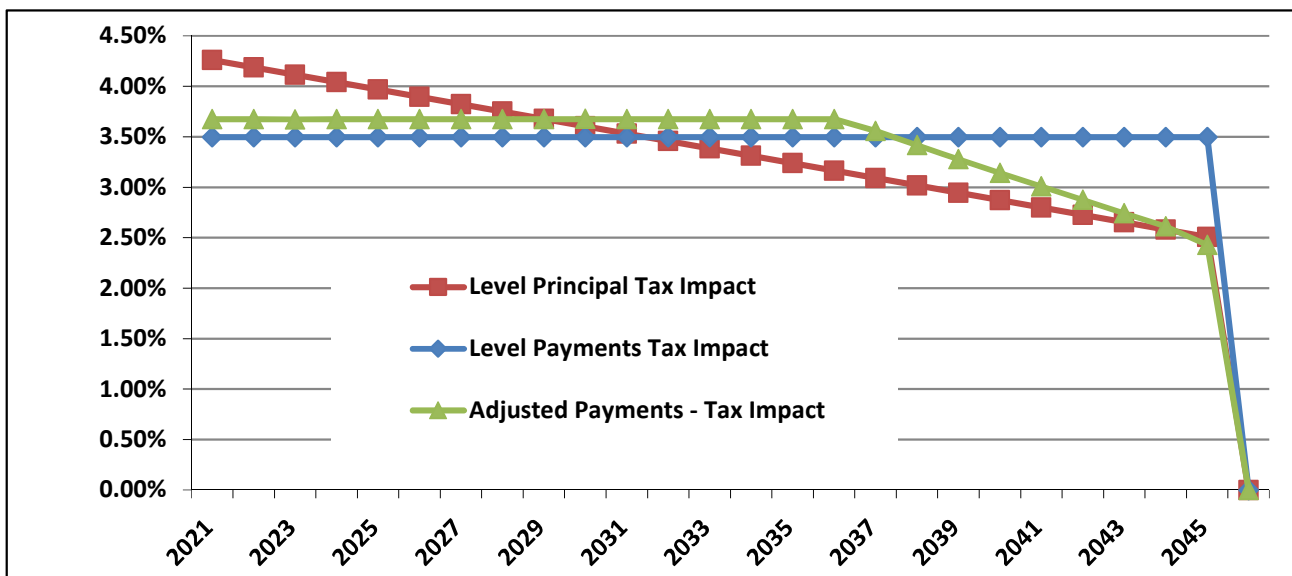
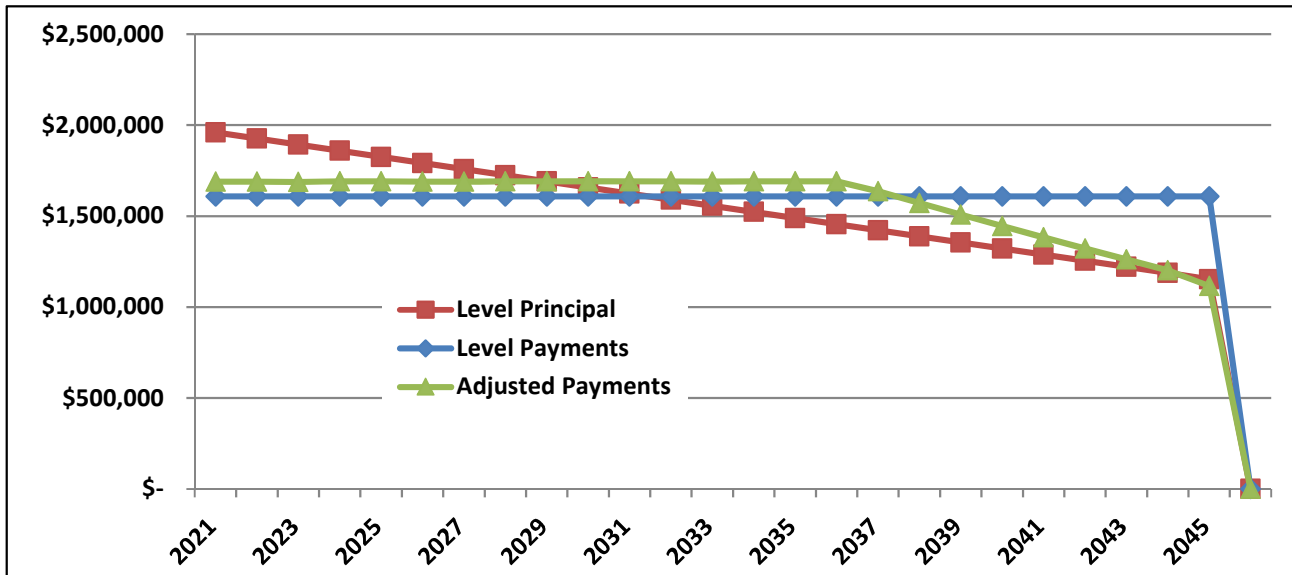
	Year	Principal	Interest	Principal	Interest	Annual Debt Service	YOY Tax Impact	Cost per \$115,700 property	1% Tax Impact
FY2019	1					-	0.00%	-	400,000
FY2020	2					-	0.00%	-	400,000
FY2021	3	842,585	910,000	-	-	1,752,585	4.38%	148.79	400,000
FY2022	4	869,969	882,616	-	-	1,752,585	0.00%	148.79	400,000
FY2023	5	898,243	854,342	-	-	1,752,585	0.00%	148.79	400,000
FY2024	6	927,435	825,149	-	-	1,752,584	0.00%	148.79	400,000
FY2025	7	957,577	795,007	-	-	1,752,584	0.00%	148.79	400,000
FY2026	8	988,698	763,886	-	-	1,752,584	0.00%	148.79	400,000
FY2027	9	1,020,831	731,754	-	-	1,752,585	0.00%	148.79	400,000
FY2028	10	1,054,008	698,577	-	-	1,752,585	0.00%	148.79	400,000
FY2029	11	1,088,263	664,321	-	-	1,752,584	0.00%	148.79	400,000
FY2030	12	1,123,632	628,953	-	-	1,752,585	0.00%	148.79	400,000
FY2031	13	1,160,150	592,435	-	-	1,752,585	0.00%	148.79	400,000
FY2032	14	1,197,855	554,730	-	-	1,752,585	0.00%	148.79	400,000
FY2033	15	1,236,785	515,800	-	-	1,752,585	0.00%	148.79	400,000
FY2034	16	1,276,981	475,604	-	-	1,752,585	0.00%	148.79	400,000
FY2035	17	1,318,482	434,102	-	-	1,752,584	0.00%	148.79	400,000
FY2036	18	1,361,333	391,251	-	-	1,752,584	0.00%	148.79	400,000
FY2037	19	1,300,000	347,008	-	-	1,647,008	-0.26%	139.82	400,000
FY2038	20	1,275,000	304,758	-	-	1,579,758	-0.17%	134.11	400,000
FY2039	21	1,250,000	263,321	-	-	1,513,321	-0.17%	128.47	400,000
FY2040	22	1,225,000	222,696	-	-	1,447,696	-0.16%	122.90	400,000
FY2041	23	1,200,000	182,883	-	-	1,382,883	-0.16%	117.40	400,000
FY2042	24	1,175,000	143,883	-	-	1,318,883	-0.16%	111.97	400,000
FY2043	25	1,150,000	105,696	-	-	1,255,696	-0.16%	106.60	400,000
FY2044	26	1,125,000	68,321	-	-	1,193,321	-0.16%	101.31	400,000
FY2045	27	\$977,173	31,758	-	-	1,008,931	-0.46%	85.65	400,000
FY2046	28	-	-	-	-	-	-2.52%	-	400,000
FY2047	29	-	-	-	-	-	0.00%	-	400,000
FY2048	30	-	-	-	-	-	0.00%	-	400,000
FY2049	31	-	-	-	-	-	0.00%	-	400,000
FY2050	32	-	-	-	-	-	0.00%	-	400,000
FY2051	33	-	-	-	-	-	0.00%	-	400,000
		<b>28,000,000</b>	<b>12,388,849</b>	-	-	<b>40,388,849</b>			



3,428.81 total taxes

Furbish Bond Amortization - \$28M

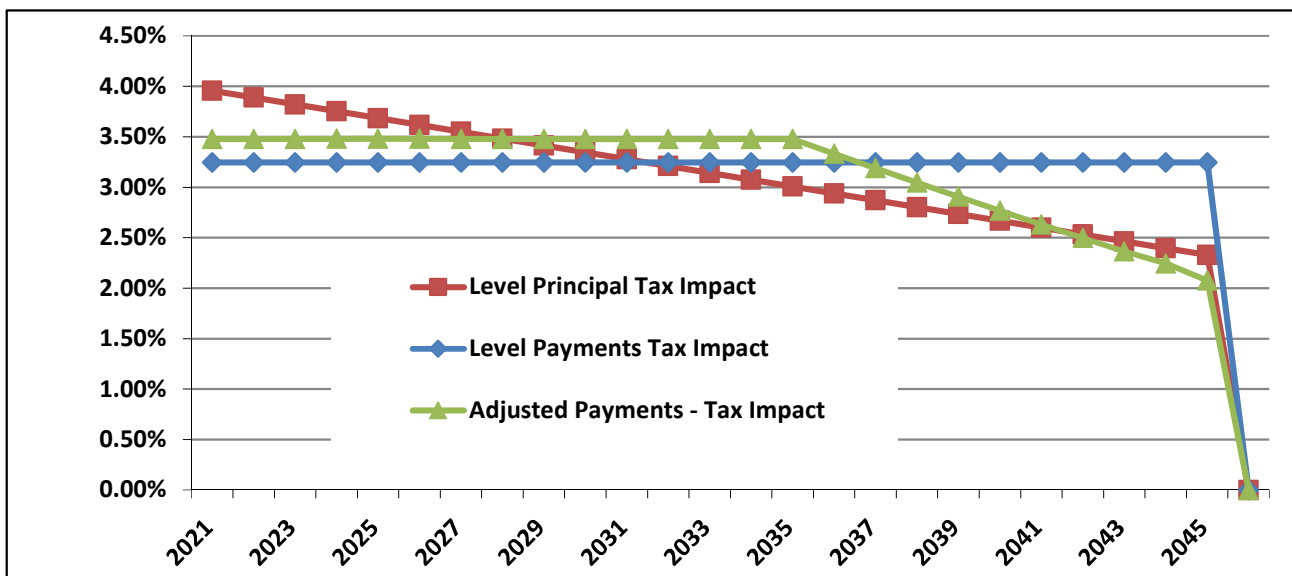
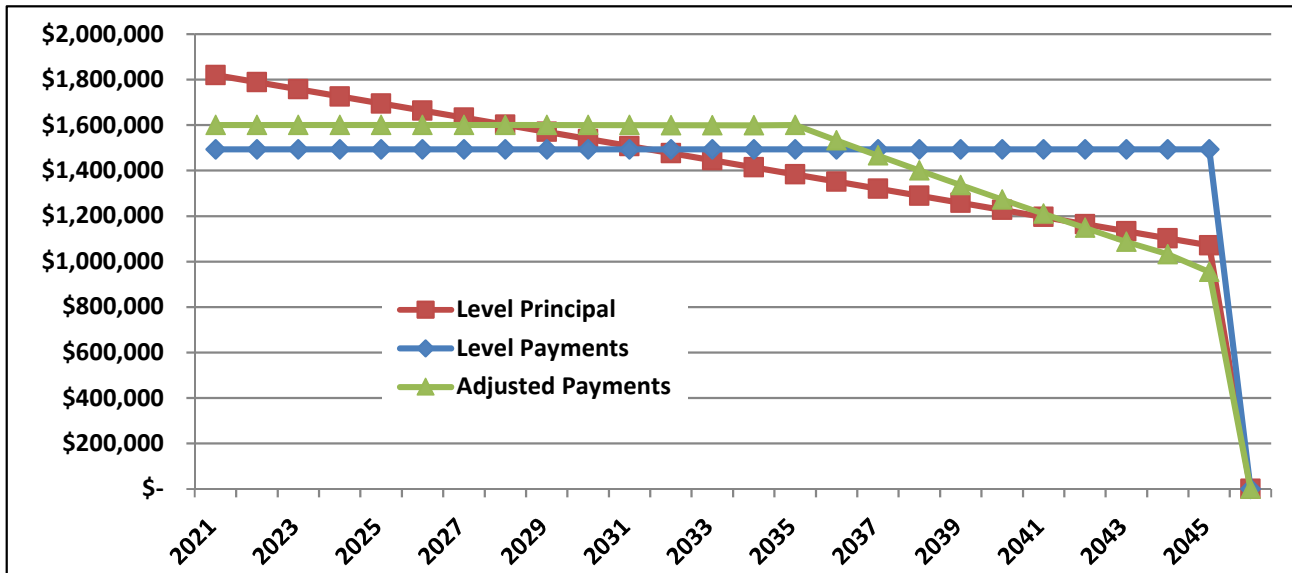
	<u>Level Principal</u>	<u>Level 15 years Declining 10 years</u>	<u>Level Payments</u>
<b>ASSUMPTIONS:</b>			
Amount Financed:	\$ 28,000,000	\$ 28,000,000	\$ 28,000,000
Number of Years:	25	25	25
Interest Rate:	3.00%	3.00%	3.00%
Start Bond Year:	1	1	1
Start Fiscal Year:	2021	2021	2021
<b>Total Interest:</b>	\$ 10,920,000	\$ 11,488,380	\$ 12,199,510
<b>Total Cost:</b>	\$ 38,920,000	\$ 39,488,380	\$ 40,199,510
<b>First year debt service pmt</b>	\$ 1,926,400	\$ 1,689,500	\$ 1,607,980
<b>First year tax rate impact where 1% =</b>	4.26%	3.67%	3.50%
	\$ 460,000	\$ 460,000	\$ 460,000





Furbish Bond Amortization - \$26M

	<u>Level Principal</u>	<u>Level 15 years Declining 10 years</u>	<u>Level Payments</u>
<b>ASSUMPTIONS:</b>			
Amount Financed:	\$ 26,000,000	\$ 26,000,000	\$ 26,000,000
Number of Years:	25	25	25
Interest Rate:	3.00%	3.00%	3.00%
Start Bond Year:	1	1	1
Start Fiscal Year:	2021	2021	2021
<b>Total Interest:</b>	\$ 10,140,000	\$ 10,445,499	\$ 11,328,116
<b>Total Cost:</b>	\$ 36,140,000	\$ 36,445,499	\$ 37,328,116
<b>First year debt service pmt</b>	\$ 1,788,800	\$ 1,600,400	\$ 1,493,125
<b>First year tax rate impact where 1% =</b>	3.96% \$ 460,000	3.48% \$ 460,000	3.25% \$ 460,000



## Effect of interest rate and debt service structure

### \$28,000,000 bond over 25 years

Interest rate	Level Principal		Level Payments		Difference from debt service structure
	Total debt service	Difference from interest rate	Total debt service	Difference from interest rate	
2.00%	\$ 35,280,000		\$ 35,854,307		\$ 574,307
2.25%	36,190,000	910,000	36,915,192	1,060,885	725,192
2.50%	37,100,000	910,000	37,993,145	1,077,952	893,145
2.75%	38,010,000	910,000	39,087,981	1,094,837	1,077,981
3.00%	38,920,000	910,000	40,199,510	1,111,528	1,279,510
3.25%	39,830,000	910,000	41,327,528	1,128,018	1,497,528
3.50%	40,740,000	910,000	42,471,825	1,144,297	1,731,825
3.75%	41,650,000	910,000	43,632,182	1,160,358	1,982,182
4.00%	42,560,000	910,000	44,808,374	1,176,192	2,248,374

### \$26,000,000 bond over 25 years

Interest rate	Level Principal		Level Payments		Difference from debt service structure
	Total debt service	Difference from interest rate	Total debt service	Difference from interest rate	
2.00%	\$ 32,760,000		\$ 33,293,285		\$ 533,285
2.25%	33,605,000	845,000	34,278,393	985,108	673,393
2.50%	34,450,000	845,000	35,279,349	1,000,956	829,349
2.75%	35,295,000	845,000	36,295,983	1,016,634	1,000,983
3.00%	36,140,000	845,000	37,328,116	1,032,133	1,188,116
3.25%	36,985,000	845,000	38,375,561	1,047,445	1,390,561
3.50%	37,830,000	845,000	39,438,123	1,062,562	1,608,123
3.75%	38,675,000	845,000	40,515,598	1,077,475	1,840,598
4.00%	39,520,000	845,000	41,607,776	1,092,178	2,087,776

