



Town of Brunswick, Maine

INCORPORATED 1739

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To the Town Council of the Town of Brunswick, Maine:

In accordance with the Charter of the Town of Brunswick, Maine, the proposed General Fund budget, for the period July 1, 2022 to June 30, 2023, is presented for your consideration. It combines the municipal services budget, as proposed by the Town Manager, with the education budget, as proposed by the School Board. The County tax levy is added to these to produce a total budget, which becomes the basis for the property tax levy – by far, the largest funding source.

While this budget document contains the total proposed revenues and expenditures for both municipal and school operations, it only includes details for the municipal departments. The School Department's totals are incorporated in this document as requested by the School Board. The details of the school budget are available from the School Department and will be provided to you when it is available.

Annual Operating Budget

Municipal Services Budget

This budget builds on last year's budget, as amended by the Town Council. You may recall those amendments allowed the Town to reach the recommended funding for road rehabilitation. They also allowed increased funding for sidewalk and facilities work. This budget recommends sustaining those funding commitments. As listed below, this budget also recommends the addition of six positions and the elimination of one.

The major changes in the year over year budget are described below.

Municipal Expenditures

The drivers of the increase in this year's expenditure budget include:

- Personnel – Salaries and benefits continue to comprise the majority of the municipal expenditure budget. Funding the salaries and benefits to maintain existing personnel increases the budget by approximately \$528,121. New positions funded in this budget add approximately \$353,889 to the budget. The newly funded positions are:
 - Environmental Planner
 - Public Works Mechanic
 - Payroll/Human Resources Coordinator
 - Geographic Information Systems (GIS) Administrator
 - Firefighter/ Emergency Medical Technicians (2)

The Cultural Broker position has been eliminated from the budget. All of the services provided by the position are now being provided by the Immigrant Resource Center of Maine

(IRCM). IRCM has a full-time staff member assigned to the Welcome Center in the Recreation Center to provide services to our new Mainer population.

- Central Station Debt Service and Operating Costs – Debt Service on the new Central Fire Station is budgeted at \$966,819. This is an increase of \$561,849, as we had budgeted \$405,000 in the current year. In addition, the annual operating cost of the new station is estimated at \$111,500. This is a total increase of \$673,349.
- Fire Suppression (Hydrants) - The budget includes an additional \$129,796, representing a 15.8% increase in the mandatory fire protection charge, payable to the Brunswick Topsham Water District. The previous three rate increases were 4.3%, 11.8%, and 20.6%. In the 2017-18 budget, the cost was \$426,192. This year's budget would appropriate \$711,205, a 66.9% increase over 2017-18.
- Solid Waste and Recycling - The budget for solid waste and recycling is increased by \$118,495. This increase is primarily due to labor increases and fuel costs. Not included in this budget are any costs that would be attributed to an increase in collection routes or stops. As the Council knows, we have received several requests for additional stops from residents living on private roads.
- Fuel and Utilities – In total, the budget lines for fuel (diesel, gasoline, heating oil, natural gas and propane) increased by \$206,847 over the prior year. This is primarily due to the current increase in fuel costs, but also includes increased usage estimates at the new Central Fire Station and Town Hall. The budget also includes an estimated 40% increase in electricity costs due to rate increases.
- Capital Reserves – The budget continues to fund the vehicle capital reserves we initiated several years ago. Funding of all these reserves increases the budget by \$20,580. The reserve approach has worked well to smooth budget funding and to provide flexibility in the management of the Town's capital assets.
- Recreation and Conservation Planning – The budget include \$25,000 for planning efforts related to the recreation properties the Town recently acquired on the Old Bath Road.

Municipal Revenues

Property taxes are the largest source of funding for the municipal portion of the budget. This proposed budget assumes a one percent valuation increase. Applying last year's tax rate to this "new" value results in an additional \$505,831 in revenue, which can be allocated to the municipal, county, and school budgets.

The two largest municipal non-property tax revenues are vehicle excise tax and state revenue sharing.

- Excise Tax - The budget projects receipts of \$3,700,000, which is the same amount as the current year's budget. Nationally, new car sales fell by 12% in the first quarter. We will continue to monitor this trend and adjust our projections if necessary.
- Revenue Sharing. The budget projects an increase of \$871,097 in State Revenue Sharing (SRS) funds. The budget estimate is based on the estimates provided by the State Treasurer's office. Those projections reflect the increase from 4.5% to 5.0%, the

amount of state funds being shared with municipalities. They also reflect the State's Revenue Forecasting committee's anticipated growth in state revenues. We believe this forecast is optimistic. We have included it in this budget as we have sufficient funds in a revenue sharing reserve should there be a revenue sharing shortfall.

Education Budget

The budget delivered by the School Board proposes a total budget increase of \$5,895,728, or 13.51%. Due to a significant increase in anticipated education revenues and use of balances of \$4,508,171, or 32.92%, the budget increase in the property tax requirement is \$1,387,557. The School Department will be making its budget presentation to the Town Council and the details of the education budget will be provided under separate cover.

Total Annual Operating Budget

Combining the increases in the municipal and school budgets, along with a 2.99% increase in the County tax, results in an increase of \$2,737,238 in the total amount to be raised from property taxes. This would increase the property tax rate by 4.36%. A summary of the budget components and their impact on the property tax levy can be found on pages 4 and 5 of the budget document.

Capital Budget

In accordance with the Town's Fund Balance Policy, the amount of Unassigned General Fund Balance over the target is to be used for capital or one-time expenditures. Following development of the Capital Improvement Program (CIP) for 2023-2027, I have proposed that a portion of the Fund Balance be used to fund the following.

- Bath Road Culvert - \$400,000 to match the Maine Dept of Transportation (Maine DOT) Municipal Partnership Initiative (MPI) grant to replace the culvert under Bath Road at Thompson's Pond. In 2021-22, the Council appropriated \$75,000 to complete the design and permitting for this project.
- Public Works Facility Planning - \$120,000 to fund a space needs and planning study for the Public Works Department. The current facility on Industry Road was constructed in 1956, and in addition to being undersized for the current needs of the department, lacks ADA accessibility, insulation, basic environmental systems such as vehicle exhaust ventilation and separation, equipment storage space, and appropriate lockers/bathrooms for employees.
- Simpsons Point Access - \$175,000 to match a Maine DOT Small Harbor Improvement Program (SHIP) grant to improve the existing boat launch at Simpson's Point, and constructing a pedestrian walking path with a stairway from the existing parking zone to the lower cobble beach area on the Town-owned lot.

Tax Increment Financing (TIF) Budget

The TIF budget for 2022-23 provides details for the sources and uses of funds generated in the Town's TIF Districts. The larger uses of the TIF funds include matches for the Maine DOT MPI grants for McKean Street and the Pleasant Street Intersections, repayment of advances from the general fund for Fire Engine 2 and the construction of Landing Drive, and allocations for the Cook's Corner

Revitalization project. In the TIF budget, you will also see funds budgeted to be transferred to the General Fund to support qualifying activities. If the budget for those items is reduced, the transfer from the TIFs would also be reduced, as TIF funds can only be used for qualifying expenditures.

Other Considerations

Finally, we continue to refine our valuation estimate, and may change this at some point in the process. This budget projects a 1% increase in taxable valuation. As events unfold, we will need to be prepared to continue making adjustments as the budget progresses towards adoption.

Acknowledgements

Thank you to the department heads and their staffs for their daily contributions to the community and for their cooperation in the development of this budget. Thank you to Julia Henze, Branden Perreault, and Diane Lathrop of the Finance Department for their assistance in preparing this document.

Thank you to the Town Council for its support throughout the year. I look forward to discussing the 2022-23 budget with the you.

Respectfully,

John S. Eldridge

John S. Eldridge
Town Manager