

## Town of Brunswick, Maine

**Finance Committee Meeting  
Thursday, February 16, 2023 at 6:30 PM  
85 Union Street – Council Chambers  
and by electronic devices**

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### Meeting Minutes (Approved 3/23/23)

Committee Members:      Councilor Sande Updegraph  
   Councilor Dan Ankeles  
   Councilor Nathaniel Shed

Staff:                              John Eldridge  
   Julia Henze

1. Acknowledgement that meeting was properly noticed
2. Adjustments to agenda / Public comment  
None
3. Submission of meeting minutes from 1/19/23  
**NS moved to approve, SA seconded. DA abstained. Minutes approved.**
4. Nominations for Finance Committee Vice-Chair  
**Councilor Updegraph nominated Councilor Ankeles for FC Vice-Chair. Councilor Shed seconded. Passed unanimously.**
5. Review 01/31/23 expenditure budget to actual statement – run by object  
JH presented alternative format of expenditure budget statement which is organized by type of expenditure, rather than by function/department. Committee asked questions and discussed certain lines of the report:
  - NS – What do the lines for Court Time, Sick Leave, etc. (51125-51320) represent? The Police and Fire Department use those lines for employees' overtime when filling in for other employees' time off.
  - NS – What is in the Program line? The majority is the School Dept expenditures. The detail for the School budget resides in a separate software, and 'bridges' to one account in the full budget report.
  - DA – Clarified that this report represents only the general fund budget, the expenditures supported by taxes and the other revenues included in the budget. JE described the checkbook model, where grants and other dedicated revenue streams are accounted for separately. Committee discussed the funding and management of the paving and vehicle/equipment reserves.JH pointed out the encumbrances column and explained how the department heads use purchase orders to manage their budgets.
  - NS – What is Wearing Apparel for? Public Safety uniforms, PW outwear and boots.

SA – Transfer to EF Train Station? The Train Station/Visitor’s Center is accounted for in an Enterprise Fund. This represents the annual subsidy to pay for rent on the facility, maintenance of the platform, and BDA’s cost to staff the Visitor’s Center.

SA – Special Detail? This represents the payroll costs when Fire or Police personnel work an event in town. The Town bills the event holder, and at the end of the year the revenue is netted against the expenditure line. Note that there is no budgeted amount on this line because it will be zeroed out at the end of the year.

NS – GIS? Geographical Information Systems – cost of licenses, data hosting, etc. This does not include the GIS Administrator wages/benefits.

SA – Miscellaneous insurance? Typically a ‘just in case’ line. This year the Town needed a special liability insurance for the easement from CMP at Merrymeeting Park.

#### 6. Update on State and Local Fiscal Recovery Fund

JH presented the Brunswick SLFRF Expenditure Plan, reviewed the origin of the SLFRF program, the timing of the guidance from the Treasury, and Brunswick’s process to develop a policy and allocate the grant. Included the matrix of statutory eligible uses, expenditure categories, and Brunswick’s appropriation’s to date. Deadline to commit the funds is 12/31/24, and expenditure is required to be completed by 12/31/26.

Committee discussed the possible uses of the funds. JE stated that one goal has been to leverage other funding when possible.

#### 7. 2021-22 Audit

a. Annual Comprehensive Financial Report (ACFR)

b. Popular Annual Financial Report (PAFR)

JH presented hard copies of the documents – dated January 27<sup>th</sup> – which are also posted on the Town’s website: <https://me-brunswick.civicplus.com/163/Financial-Reports>

Committee discussed hearing from the auditor. The School Dept Finance Committee will meet on April 12<sup>th</sup> to hear from the auditor, and the Town Council will also have the auditor make a presentation at a regular TC meeting. (*Date later set: 3/20/23*)

NS asked about any recommendations from the auditor. JH reported that the only management comment was about student activities; not that there were irregularities, but that there were delays in making deposits.

NS asked about audit vs. review. JE stated that the Town is required to get an audit. JH described the audit process – 1 week in late spring, and 2 weeks in October, and the review of the ACFR (which is written by Town staff).

#### 8. Review Debt Disclosure Policy

JH explained the requirement of the annual disclosure for the Town’s bonds, and the policy to have the elected officials review the disclosure before it is published. JE explained that it’s important that the continuing disclosure not be misleading or missing important information.

Normally, JH would have the disclosure completed soon after the ACFR is done. Had hoped to have it for this meeting, but has been delayed this year. Would like the FC to

schedule a meeting in March to review the disclosure. Committee agrees, and JH will find a suitable time.

#### 9. Town of Brunswick debt and debt ratios

Committee discussed the Town's current outstanding debt, and the principles around municipal borrowing. JE pointed out the concept of intergenerational equity, in which the people who are benefiting from the asset are the ones paying for it. Also noted that in recent years the Council has had the discipline to fund the annual reserves, and has maintained unassigned fund balance above the target, which has enabled the Town to use pay-as-you-go funding for numerous medium-sized capital projects.

Committee reviewed the trend data on debt per capita, as percentage of taxable property value, and as percentage of non-capital expenditures.

#### 10. S&P Outlook for US Local Governments

Committee discussed the report, noting that S&P emphasizes management as a credit indicator, and that federal aid for the COVID-19 pandemic has served municipalities well. Acknowledges the instability of the pandemic, current inflationary conditions, and potential recession. JH reminded the committee that Brunswick's debt is rated AA+

#### 11. Adjourn

SU adjourned meeting.