

Town of Brunswick, Maine

**Finance Committee Meeting
Thursday, February 28, 2019 6:00 – 7:30 PM
85 Union Street – Town Council Chambers**

Meeting Minutes (approved 4/30/19)

Elected Officials: John Perreault, Christopher Watkinson, Dan Ankeles

Staff: John Eldridge, Julia Henze, Branden Perreault

John Perreault opened the meeting.

1. Select Chair of Committee
JP nominated Chris Watkinson as Chair, Dan Ankeles seconded, unanimously approved.

2. Acknowledgement that meeting was properly noticed
JH confirmed that the meeting was properly noticed.

3. Adjustments to agenda / Public comment
No adjustments to the agenda.

Jean Powers – Noted school board meeting previous evening, and discussed materials provided. Recommends reading the packet.

4. Approval of meeting minutes from 1/17/19
DA moved approval, JP seconded, unanimously approved.

5. Review Debt Disclosure Policy and Procedures Manual
JH provided background and outlined the purpose of the policy. Noted SEC Rule 15c2-12, which ensures municipal securities issuers enter into agreements to provide certain information to the Municipal Securities Rulemaking Board (MSRB) about their securities on an ongoing basis.

JH showed the Committee the bound documents from the Town's last bond issue, and described the ongoing obligation of the Town Treasurer to provide Continuing (or Secondary) Disclosure – annually updating the same information provided when the bonds were issued in the Official Statement or OS. The bond documents include a Treasurer's certificate agreeing to provide this ongoing information, and the Town's policy also obligates the Town Treasurer to provide the annual Continuing Disclosure. Additionally, the policy states that the draft Continuing Disclosure Statement be reviewed by the Finance Committee.

6. Review DRAFT Continuing Disclosure Statement for approval
JE presented the document for Committee review, outlining the sections and highlighting the information about the Town's debt and Capital Improvement Program (CIP) projects to be funded with debt.

JE explained the purpose of the Official Statement (OS) in the sale of bonds to inform investors who may purchase the bonds initially. The Town's bonds are traded on the secondary bond market, and the Continuing Disclosure is necessary for investors to know the current 'state of affairs' with the Town.

The Committee discussed how the Town's bonds are traded on the competitive market, and principles of issuing bonds - including interest rates, maturity schedules, views of the rating agencies, and implications of the yield curve.

DA asked about BABs – Build America Bonds. JE explained that BABs are taxable bonds and the issuer receives a subsidy. The effect is the same for the issuer, the buyer gets a higher interest rate and pays taxes on the interest income. JH clarified that the Maine Municipal Bond Bank chose to issue BABs.

JP noted that in the building permits table on page 9, there is significant increase in building activity. JE pointed out that some of the projects are done by tax exempt entity, so this does not necessarily indicate expansion of the tax base.

CW referred to TIF and Affordable Housing Districts on page 33 and asked about Affordable Housing Districts. JE said that the Town does not have any AH Districts. It has been discussed (most recently around McKeen St Housing), but it has to benefit the developer. In the past, developers have not wanted the 'strings attached' to affordable housing incentives.

DA moved to approve draft Continuing Disclosure, JP seconded, unanimously approved.

7. Review projected debt service
 - a. issued debt

JH presented a table of the current debt service schedule of each bond issue. Clarified that this includes the 2010 Elementary School debt service owed, and that the 87% state subsidy of that is recognized as revenue in the budget.

- b. authorized debt

JH outlined the projected debt in the CIP, which includes debt authorized but not issued.

- c. debt proposed in the CIP

Committee reviewed the debt models in the CIP, and the graphs including recommended projects.

Jane Millett – is the Downtown sidewalks project here? JE affirmed that it is included at \$2,320,000 in the Recommended section of the CIP.

Jean Powers – 1. What year is the Town Hall HVAC project? Thought it was going to be this coming year. JE clarified that the project is still being developed.

2. Pointed out that the parking garage is too costly to be paid by taxpayers. JE clarified that the intent with the current project is to be prepared if grant funding becomes available.

3. Noted that TIF revenues can be used for school construction. JE explained that this is allowed among other things in the development programs of two of the TIF Districts, and that the TIF revenues are already being used to offset taxes in the budget.

JH handed out the 2018 Credit Outlook & Medians for Maine Local Governments. Committee discussed credit ratings and the graphs in the document. JE noted that Brunswick keeps track of its debt ratio numbers, and in the recent past these have been favorable. The numbers will change with issuance of debt for the elementary school.

8. Organizational

a. Review Finance Committee policy

JH included policy for first meeting of new committee members to review responsibilities.

b. 2019 proposed calendar/schedule of work

Committee decided to change regular meeting time to Thursday at 6pm.

Committee decided to cancel March 2019 meeting

CW moved to approve 2019 calendar with adjustment to start times, JP seconded, unanimously approved.

9. Adjourn

JP moved to adjourn, DA seconded, unanimously approved.