

Town of Brunswick, Maine

**Finance Committee Meeting
Monday, May 10, 2021 at 6:30 PM
Meeting via electronic devices**

Meeting Minutes (Approved 6/14/21)

Elected Officials: Councilors Dan Ankeles, Stephen Walker, Daniel Jenkins

Staff: Julia Henze, John Eldridge

1. Acknowledgement that meeting was properly noticed

DA called meeting to order. JH confirmed the meeting was properly noticed.

2. Adjustments to agenda / Public comment

No adjustments to the agenda. No public comment.

3. Approval of meeting minutes from 4/12/2021

DJ moved to approve, seconded by SW, unanimously approved.

4. GFOA Elected Official's Guide: *Understanding the Fiscal Health of Your Community*

This book came out in December, 2020, and JH procured one for each of the councilors. The GFOA Guides for Elected Officials, are good resources for councilors as they cover a broad range of topics elected officials may come across. This volume provides an overview of government finance fundamentals, including financial reporting, budgeting, and financial policies. JH recommends that the Finance Committee 'present' the book to the rest of the Council at an upcoming meeting. The Committee briefly reviewed the book, with attention to the section about fund balance.

5. Review Fund Balance Policy - no suggested amendments

JH presented the Town's fund balance policy. Brunswick's policy was adopted based upon GFOA's suggested best practices, and Brunswick's particular situation. The policy establishes two months of revenue as the unassigned target balance. This is the reserve/ cushion to protect the Town in the case of unanticipated/emergency costs. JH pointed out the comments from rating agencies, which emphasize the importance of having a fund balance policy and following the policy.

DA made the motion to adopt the fund balance policy as it stands without any proposed changes. Seconded by SW. Unanimously approved.

6. Review Fund Balance

- a. Unassigned FB trends - JH presented a graph of the fund balance in relation to the target over many years illustrating the use of fund balance in the annual budget, the amount over/(under) the target, and the use for capital or one-time projects.
- b. Use of FB in budget - Committee discussed historical use of fund balance to 'balance the budget', noting years when BNAS closed and the Town used \$1M to offset the loss of federal and state aid. JE noted years when the fund balance dipped below the target, and actions taken to bring balance back above the target.
- c. Use of available Unassigned FB – JH presented list of 'one-time' FB uses, primarily for emergencies and capital projects
- d. 6/30/21 Unassigned FB – JH reported that a very preliminary estimate indicates that the balance will be above the target

7. Long-term Financial Planning – look at model

JH modeled years of actual operating expenditures, two years of budget, and five years of projections based on assumptions. The model incorporates estimated debt service from the CIP, which includes borrowing for new fire station and tanker.

Model shows a line called "Gap" – which is revenues over/(under) expenditures, in which bracketed (negative) numbers show a budget shortfall, positive numbers show a budget surplus. This line changes as the model is manipulated. JH outlined the increase percentage assumptions at the bottom of the page. Percentages can be adjusted to see how each element affects the bottom line. JH suggested several assumptions, and the committee discussed the elements and how they affect the model.

8. Report on American Rescue Plan – if updates available

Report was released a few hours before the FC meeting. FC broadly discussed the rescue plan but more concrete details will be provided as they are available.

9. Adjourn