

Town of Brunswick, Maine

**Finance Committee Meeting
Thursday, September 15, 2022 at 6:00 PM
85 Union Street – Council Chambers
and by electronic devices**

Meeting Minutes (Approved 10/27/22)

Elected Officials: Councilor Christopher Watkinson
Councilor Sande Updegraph
Councilor Kathy Wilson

Staff: Julia Henze
John Eldridge (remote)

1. Acknowledgement that meeting was properly noticed

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

2. Adjustments to agenda / Public comment

None.

3. Review of meeting minutes from 8/18/22

SU moved to accept minutes from 8/18/22. Seconded by KW. Approved unanimously.

4. 2022-23 Tax Commitment

JH reported that property taxes were committed on August 30th, and presented several Assessing documents. Committee discussed the 91% certified ratio and the interest rate, both of which are set by the State, and the roles of the Assessor and the Tax Collector. JH went over how the taxes are calculated, with adjustments for Homestead and BETE reimbursements from the State.

Committee reviewed the year-over-year comparison and discussed the increases in assessed values, in the TIF districts and to support the General Fund budget.

5. Review Tax Increment Financing and Credit Enhancement Policy

JH presented the TIF and CEA Policy which was just adopted in June, and quickly reviewed the goals of the policy. Committee discussed the evaluation of public benefit, and methods for assigning a value/quantifying the elements desired by the Town. Committee discussed the functioning of the policy, and how it may need to be expanded and/or clarified for future use.

6. Presentation on TIFs & CEAs

JH walked through a PowerPoint presentation, outlining the Town's five TIF Districts, reviewing the maps and explaining the origin and goals of each one. Committee discussed past and expected development in the districts, and reviewed the chart with the development program dates, revenue generated and allowable uses.

JH reviewed the TIF model, explaining the mechanics of TIF financing, including how the 'increment' is captured and related revenues are utilized. Committee discussed the years of the existing TIF districts, and the related 'tax shifts'. JH presented a graph of TIF revenues over the past 13 years, and a listing of the expenditures/projects supported by TIF revenues.

Committee reviewed table of existing Credit Enhancement Agreements, with amounts calculated through 2022-23. JH explained the conditions of each CEA, and gave an overview of the upcoming CEA based on workforce housing, describing the system for annual monitoring of the housing.

Finally, JH presented information about the 'tax shift' – the effect of 'sheltering' the values in the TIF districts from the State valuation. Provided a graph with estimated benefits in State Aid to Education, Revenue Sharing, and County Tax.

7. Long-term Financial Planning

JH presented the model that the Committee has seen before. Model now includes preliminary projections for 2021-22, and JH gave a brief explanation of the strong surplus expected. Committee discussed the 2022-23 budget, and the 'cliff' expected in 2023-24 due to the use of excess school fund balance in 2022-23.

Committee looked at the elements and assumptions of the model, and discussed how tax revenue is increased by both tax rate and taxable assessed value. JH pointed out how the assumptions can be changed, and how the pieces work together.

8. Adjourn

KW moved to adjourn, SU seconded, approved unanimously.