

Town of Brunswick, Maine

**Finance Committee Meeting
Thursday, September 19, 2019
6:00 – 7:30 PM
85 Union Street – Council Chambers**

Meeting Minutes (approved 10/17/19)

Elected Officials: Christopher Watkinson (chair), Dan Ankeles
Absent: John Perreault

Staff: John Eldridge, Julia Henze, Nicholas Cloutier
Kelly Wentworth

1. Acknowledgement that meeting was properly noticed

JH confirmed that the meeting was properly noticed.

2. Adjustments to agenda / Public comment

No adjustments to the agenda.

Jean Powers: 1) Station Ave lights have been out for awhile; 2) Question on status of Town's Property Tax Assistance program. (JH responded that the Town has received 19 applications to date, deadline is November 1st.) 3) Stated that the new Town website has 'hiccups'; 4) Question on status of requesting funds from Portland for the asylum seekers. 5) Question if the winter clothes needs of the asylum have been considered. (DA answered that the Emergency Action Network (TEAN) group will be responsive to this, not only for the asylum seekers.)

Robert Broderick: Question on the Assessor's attachments regarding value of buildings. Stated that Landing Road in Cook's Corner is very nice.

Dan Ankeles asked if it would be possible to determine who is eligible for the Town's Property Tax Assistance Program and automatically enroll people. JH responded that the Town a) does know the ages of Town residents and b) does not know the income of the residents.

3. Approval of meeting minutes from 8/22/19

CW moved, DA seconded, unanimously approved.

4. 2019-20 Tax Commitment

a. Distribution of residential property values/taxes (Julia Henze)

JH introduced the Town Assessor Nick Cloutier, and reviewed data from the 2019 tax commitment. Final tax rate was \$19.72/1,000 (down from original budget

estimate of \$19.86 and amended budget estimate of \$19.77), a 4.23% increase from the prior year. JH reviewed data on the tax impact on single family homes in Brunswick. Median taxable value of single family residence is \$200,000, so tax bill would be \$3,957. Committee discussed rent costs in Brunswick, number of mobile homes, and next year's proposed increase in the homestead exemption.

b. Assessing Dept. Briefing (Nicholas Cloutier)

NC presented explanation of how properties are assessed, and what changes in value may occur from one year to the next. Described how Assessing Dept works with Planning and Codes to track changes associated with building permits. Outlined the process of assessing subdivisions and how the land is valued.

Discussed the homestead exemption change, the expansion of the BETE program and the State's legislation on solar panels. Other assessing value changes are due to ongoing evaluation of sales data, reviews of building conditions and analysis for accuracy and consistency. Presented an example of existing combined housing property split into separate parcels, and outlined the process used to assign value.

Committee briefly discussed the Walmart abatement appeal and the assessing methods to value large retail entities. NC confirmed that there have been questions from other businesses, but no other notable appeals. Stated that the statewide effort has been to use independent appraisals and consistent assessment methods.

5. TIF Districts

a. Review of districts

JH presented outline of existing TIFs, with dates, development program elements and 2019-20 revenues.

b. 2019-20 budget to actual

JH presented review of how the tax commitment lined up with the TIF budget. Reminded committee that the budget estimates both the value and the tax rate. Committee discussed how TIF revenues can be used, and how funds can be allocated between permissible uses. JE pointed out portability option to send TIF funds to a Downtown TIF, which may help to fund the downtown sidewalk project.

Committee discussed Fed reduction in rates and the yield curve. JE explained purpose of Fed rate reduction and effect on yield curve. Based on current 30-year Treasuries conditions for the upcoming borrowing in January should be favorable. Clarified that the cost of the BAN was approx. \$125,000 - \$20,000,000 at 1.28% for less than 6 months.

c. Tax shifts

JH presented estimated amounts of the additional benefit the Town realizes from the TIFs. Often overlooked, this benefit is significant. In 2019-20, State Aid to Education would be an estimated \$882,486 lower, State Revenue Sharing would be

\$122,799 lower, and the County Tax would be \$79,732 higher if the taxable values in the TIF districts was included in the Town's state valuation.

d. TIF totals since 2010-11

JH presented activity in the TIF districts over ten years, including total amounts paid in credit enhancements. Noted some significant projects (Station Ave and the Union/Mill Storm Drain) which have been funded through TIF revenues, and the cumulative amounts appropriated for ongoing costs, and for capital projects to be paid for over several years (Cooks Corner road, Engine 2). JH pointed out total estimated tax shifts over ten years.

Committee discussed the updated "1%" calculation resulting from the final tax commitment. JE stated that with the 2019-20 assessed taxable value, \$460,000 in budget equates to a 1% change in the tax rate.

6. Review Capital Improvement Program Policy

JH presented the CIP policy for annual review and discussion. The policy was amended in 2018 to reflect the Town's practice. JH outlined those changes, which were primarily in the schedule. There are no suggested amendments at this time. Committee discussed the CIP process and how it interfaces with the budget process.

The committee had a brief discussion with JE of upcoming budget process and how the Council is presented with current conditions/needs.

DA moved to confirm review of CIP Policy, CW seconded, unanimously approved.

JH listed upcoming meetings in November and December for the CIP:

11/7/19 – CIP workshop

11/14/19 – CIP workshop

11/21/19 – Regular FC meeting – workshop if needed

12/5/19 – CIP workshop

12/19/19 – Regular FC meeting

Committee discussed paving list. JE described StreetScan process, and proposed paving list will be included in 2021-2025 CIP.

7. Adjourn