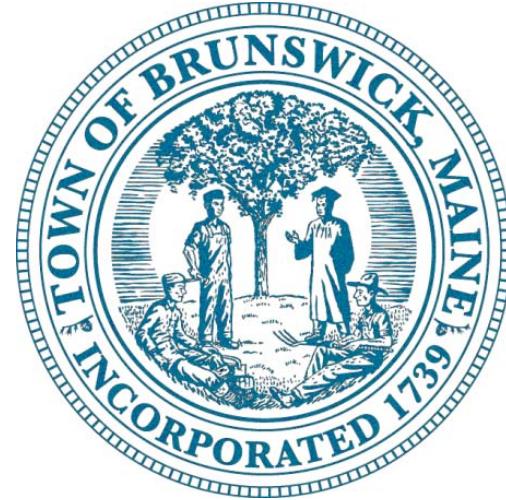


# Town of Brunswick, Maine



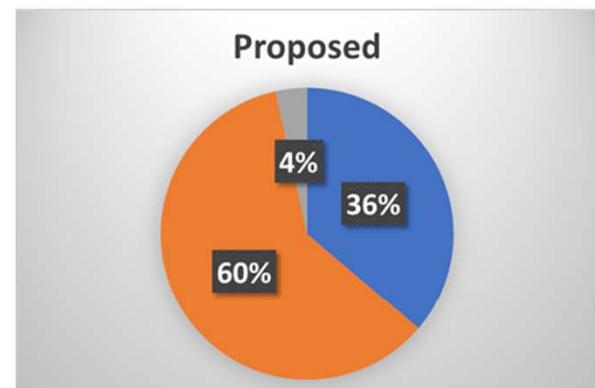
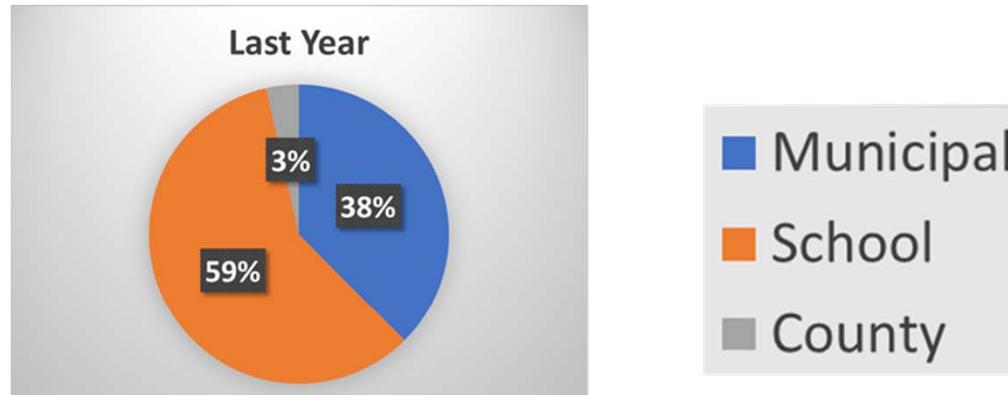
## Town of Brunswick 2020-21 Budget and 2021-2025 CIP Public Hearing

Monday, June 1, 2020

# Tax Rate Impact

## Manager's Proposed 2020-21 Budget (page 4)

	Last Year	Proposed	Increase %	Rate Effect
Municipal	\$ 7.41	\$ 7.60	2.56%	0.96%
School	11.62	12.65	8.86%	5.18%
County	<u>0.69</u>	<u>0.73</u>	<u>5.80%</u>	<u>0.20%</u>
Total	\$19.72	\$20.97	6.34%	6.34%



**\$460,000**

= 1% Change in Tax Rate

# Municipal Budget Priorities

- ▶ Legally Required
- ▶ Public Safety
- ▶ Public Works
- ▶ Infrastructure
- ▶ Vehicle/Facility Reserves
- ▶ General Government
- ▶ Parks & Recreation
- ▶ Support to Organizations
- ▶ Subsidies to Enterprises
- ▶ All Other



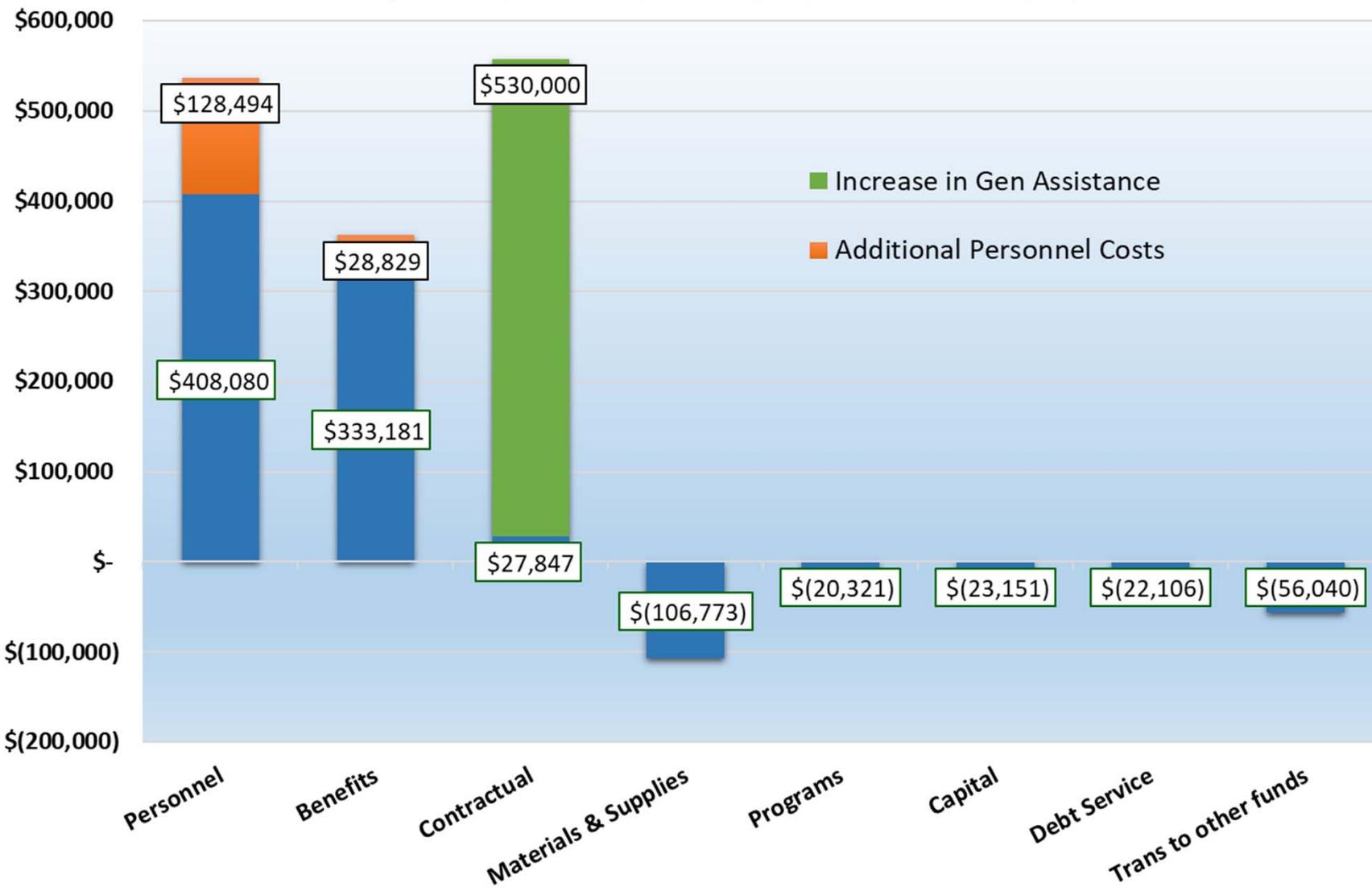
# Expenditure Drivers

- ▶ Personnel Salaries & Benefits
  - No new Positions (Cultural Broker not in last year's budget)
  - Full Year Salaries & Benefits (Positions rolled out last year)
  - Health Insurance
  - Worker's Compensation

Fewer Municipal FTEs than in 2007

- ▶ Human Services
  - General Assistance

**2020-21 Budget**  
**Manager's Proposed Budget - Municipal Departments Only**  
**Change from previous year - by Expenditure Category**



# Net Tax Increase – Council proposed

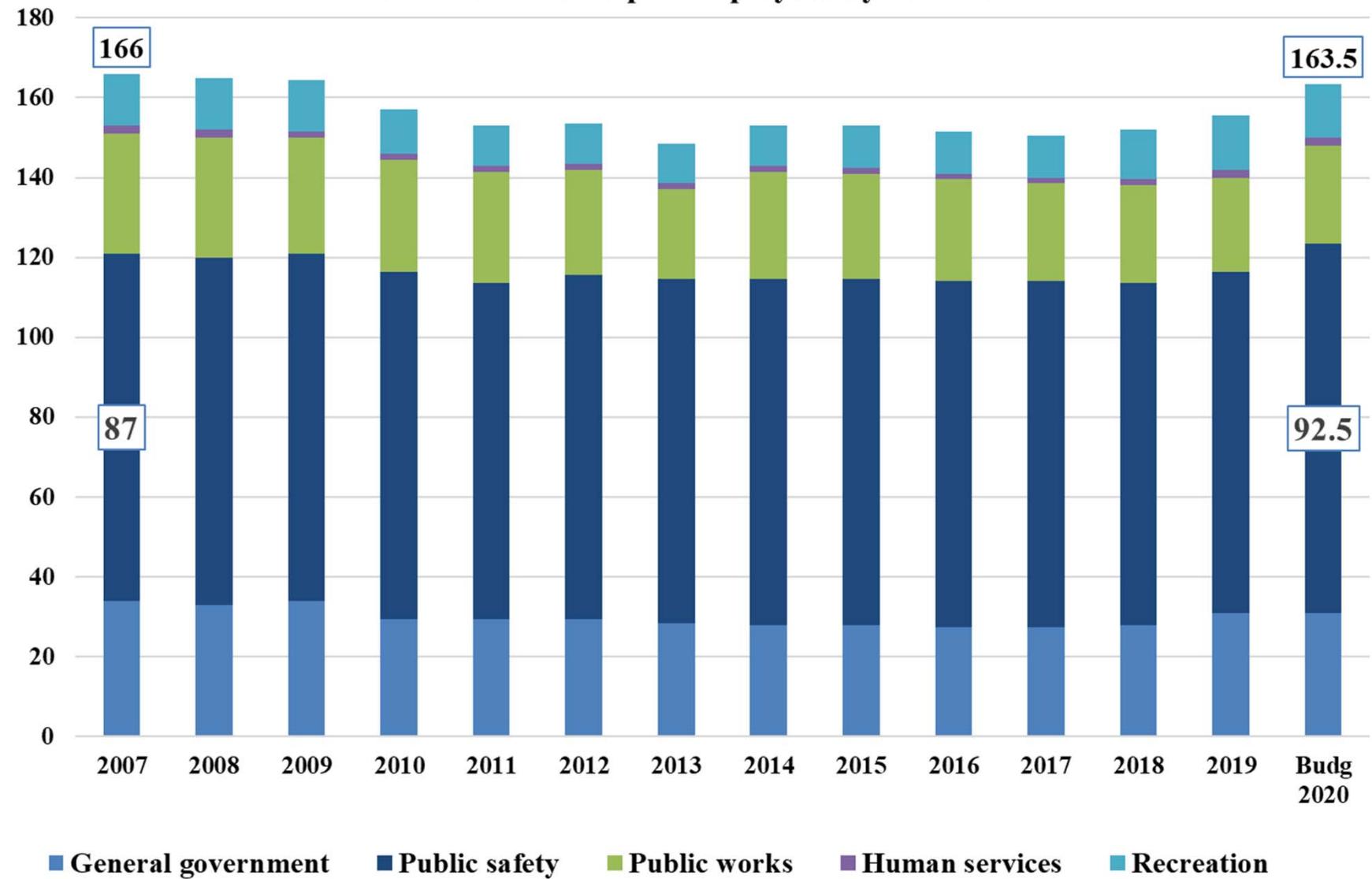
*Tax Rate Increase for Kate Furbish School  
Debt Service and County Tax*



	Last Year	Required	Increase	Reduction
Municipal	\$17,072,813	\$17,072,813	\$ 0	\$ 432,193
School	26,772,621	28,201,279	1,428,658	936,105
County	<u>1,590,123</u>	<u>1,674,551</u>	<u>84,428</u>	<u>0</u>
Total	\$45,435,557	\$46,948,643	\$1,513,086	\$1,368,298

*Tax Rate Increase 3.33%*

**Town of Brunswick**  
**Permanent Municipal Employees by Function**



■ General government   ■ Public safety   ■ Public works   ■ Human services   ■ Recreation

**TOWN OF BRUNSWICK, MAINE**  
**Permanent Municipal Employees by Function/Program**

<u>Function</u>	<u>Fiscal Year</u>		
	<u>2020</u>		<u>Change</u>
	<u>2007</u>	<u>Budgeted</u>	
General government			
Administration	4.0	5.0	1.0
Finance	10.0	8.0	(2.0)
Technology	-	1.0	1.0
Cable TV	1.0	1.0	-
Assessing	4.0	3.0	(1.0)
Town Clerk	4.5	4.0	(0.5)
Engineering	-	2.0	2.0
Planning and Codes	6.0	5.0	(1.0)
Coastal Resources	1.0	1.0	-
Economic development	2.0	1.0	(1.0)
Municipal building	1.5	-	(1.5)
Public safety			
Fire department	36.0	41.0	5.0
Police department & station	42.0	40.5	(1.5)
Emergency Services Dispatch	9.0	11.0	2.0
Public works			
Administration	6.0	4.0	(2.0)
General maintenance	17.0	16.0	(1.0)
Landfill	3.5	2.0	(1.5)
Central garage	3.5	2.5	(1.0)
Human services	2.0	2.0	-
Recreation			
Administration	6.0	5.0	(1.0)
Buildings and grounds	7.0	8.5	1.5
<b>Totals</b>	<b>166</b>	<b>163.5</b>	<b>(2.5)</b>

Admin Floater position  
replaced Assessing  
Clerk in FY2010

IT function contracted  
through School Dept  
until FY2011

Moved Engineering  
Function out of PW in  
FY2019

Added 4 firefighters &  
1 inspector FY2020

Added dispatch  
services for Freeport  
and Pownal in FY2012

Seasonal Parks  
employees made  
permanent in FY2020

# Non-Property Tax Revenues

- ▶ Excise Taxes
  - Expecting 11% reduction
- ▶ State Revenue Sharing
  - Reductions tied to State Taxes
- ▶ All Other

**May Need Further Reductions in Projections**

# Fund Balance Considerations

- ▶ 6/30/20 Fund Balance will be affected by:
  - Shortfalls in 2019–20 revenues
  - Unanticipated 2019–20 expenditures
  - Uncollected taxes as of August 31<sup>st</sup>
  - Use of FB for capital and/or one-time expenditures
- ▶ Concerns for 6/30/21 Fund Balance:
  - Shortfalls in 2020–21 revenues
  - Unanticipated 2020–21 expenditures
  - Need to maintain balance in accordance with FB policy

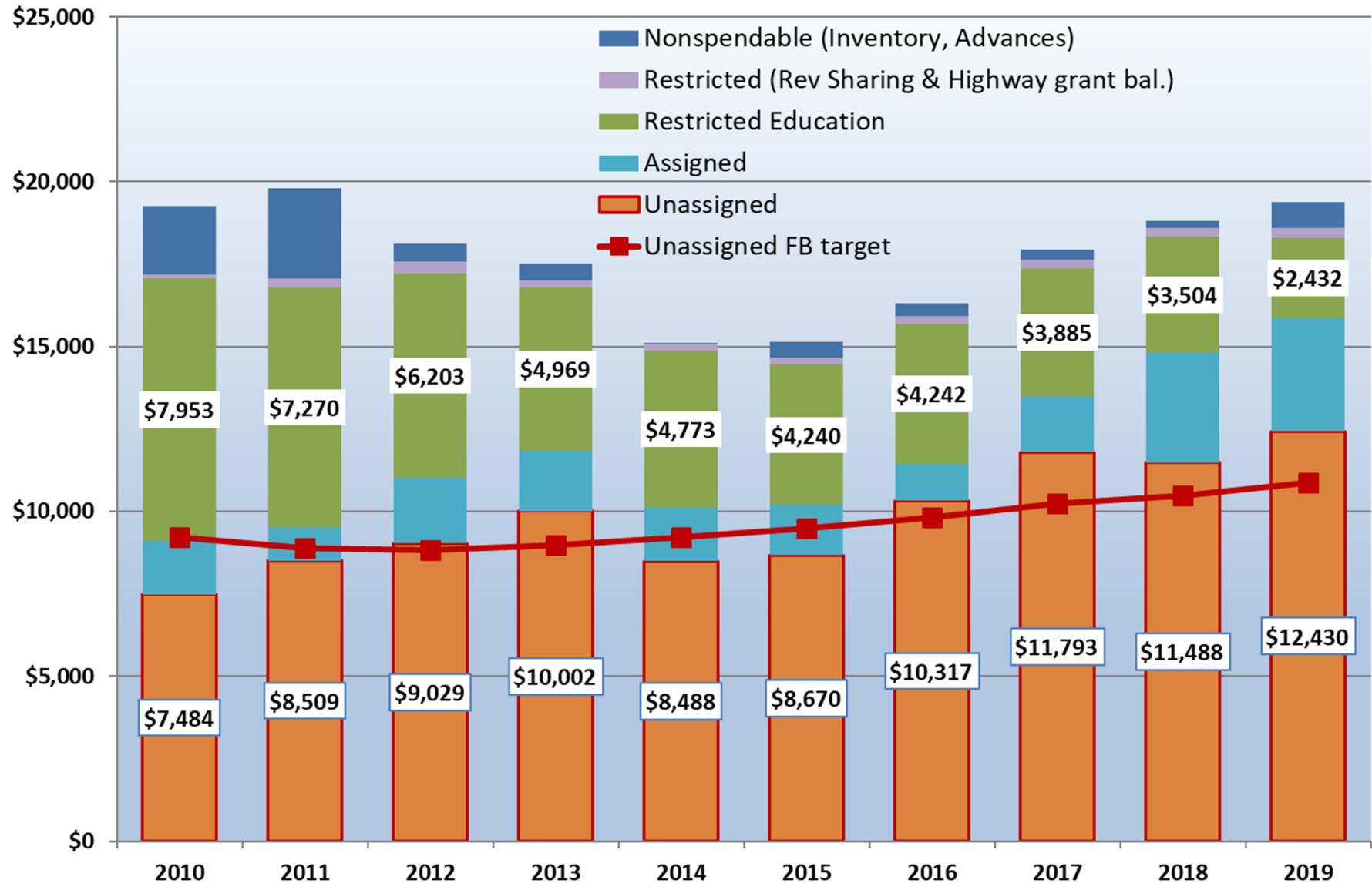
## Fund Balance Policy Adopted October 18, 2010

Fund balance is intended to serve as a measure of financial resources in a governmental fund. The Town's management, credit rating services, and others monitor the levels of fund balance in the general fund as an important indicator of the Town's economic condition.

It is the policy of the Town of Brunswick to maintain unassigned fund balance in the general fund at 16.67% of general fund revenues measured on a GAAP basis. In the event that the unassigned fund balance drops below this level, the Town will develop a plan, implemented through the annual budgetary process, to bring the balance to the target level over a period of no more than three (3) years. Amounts in excess of the target shall first be used for capital improvements, or other one-time expenditures, as recommended by the Town Manager and approved by the Town Council.

## Town of Brunswick General Fund Balance as of June 30, (000's)

Thousands



January 10, 2020

**Summary:**

**Brunswick, Maine; General Obligation**

**Credit Profile**

US\$26.25 mil GO bonds due 11/01/2044

*Long Term Rating* AA+/Stable New

Brunswick GO

*Long Term Rating* AA+/Stable Affirmed

**Very strong budgetary flexibility**

Brunswick's budgetary flexibility is very strong, in our view, with an available fund balance in fiscal 2019 of 25% of operating expenditures, or \$15.9 million. The town has consistently maintained very strong reserves over the past three years, at above 20%. For fiscal 2020, the town does not expect any drawdowns in reserves by fiscal year-end. We expect the fund balance will likely remain at least very strong and in line with the policy of maintaining unassigned fund balance at 16.6% of revenue.

**Upside scenario**

If economic indicators were to improve, coupled with management maintaining very strong budgetary flexibility on par with that of higher-rated peers through consistent positive financial performance, we could raise the rating.

**Downside scenario**

If budgetary performance were to deteriorate, reserves were to decrease to levels we consider weak, or economic indicators were to decrease, we could lower the rating.

## CREDIT OPINION

9 January 2020

### Summary

Brunswick, ME (Aa2) benefits from a moderately-sized tax base with slightly above average income levels, stabilized financial position with satisfactory reserves, and manageable debt and pension burdens. The town benefits from the presence of Bowdoin College (Aa2 stable) and Mid Coast-Parkview Health, who are among the largest employers in the area.

### ***Factors that could lead to an upgrade***

- » Trend of operating surpluses that leads to significant growth in reserve levels
- » Sustained trend of material tax base growth and significant improvement in income levels
- » Material increase in the tax base

### ***Factors that could lead to a downgrade***

- » Material decline in reserves or liquidity
- » Increased reliance on reserve appropriations to balance budgets
- » Material declines in the tax base or deterioration of income levels
- » Growth in debt burden

**Town of Brunswick**  
**2020-21 Budget - Manager's Proposed Adjustments**

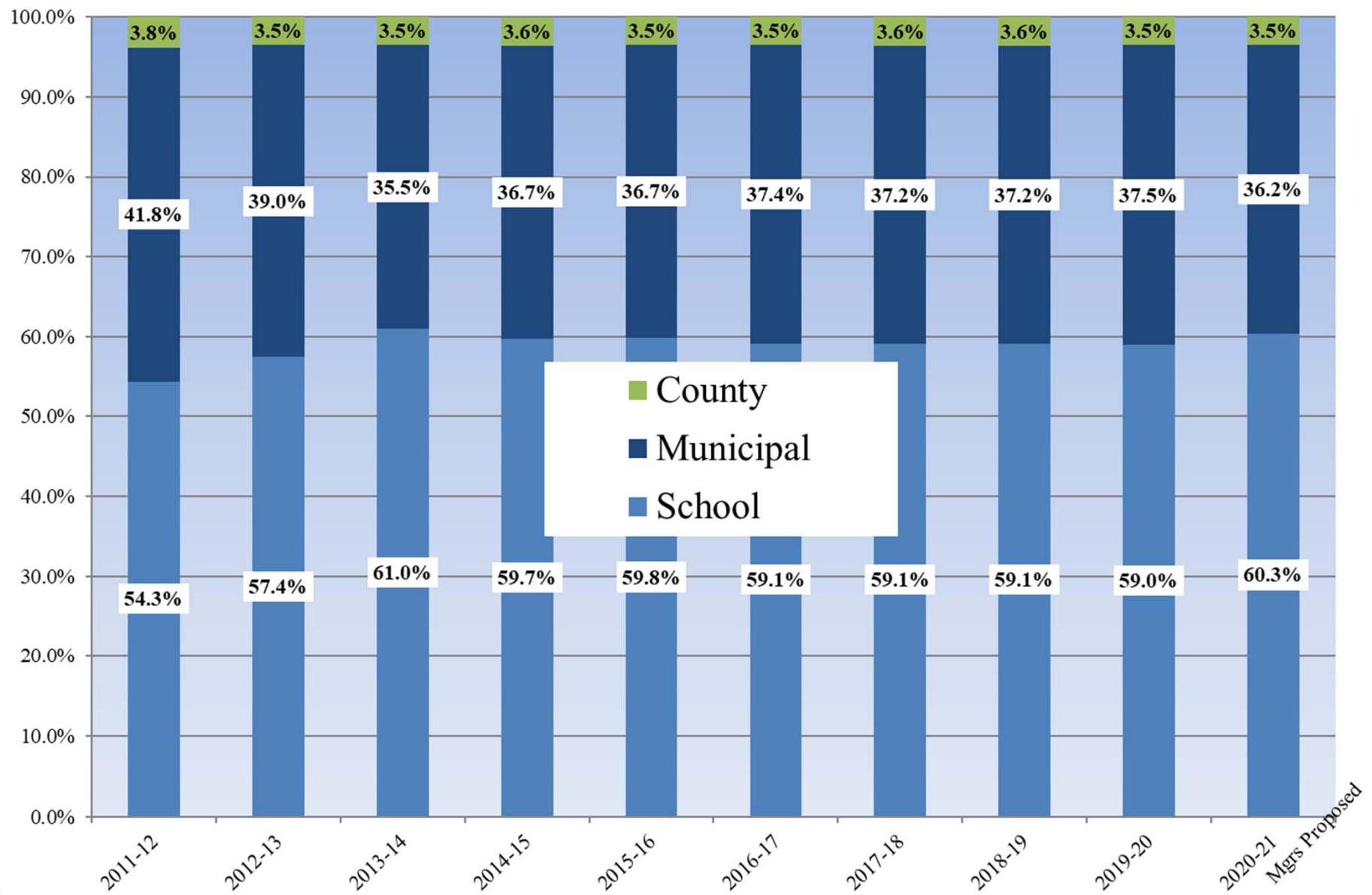
<b>Manager's Adjustments - Preliminary Budget</b>	<b>Manager's Adjustments - Proposed Budget</b>	<b>Manager's Additional Adjustments</b>	<b>Total</b>
Administration - Travel (23,600)	Excise tax revenue 201,000	Excise tax revenue 75,000	
Planning Dept - Housing Study (50,000)	Interest revenue 153,000	Interest revenue 50,000	
Planning Dept - Climate Action Plan (100,000)	Revenue sharing 250,000	Revenue sharing 200,000	
Eco Dev - Wayfinding Study (25,000)	Gasoline & Diesel - fixed price contra (148,227)	Fund Balance (150,000)	
Eco Dev - Prof Services other 10,000	Administration - Admin Floater positio (62,132)	Recycling (add back) 75,000	
Eco Dev - Cooks Corner Design (50,000)	Planning Dept - Capital vehicles (30,000)	Paving (100,000)	
Fire Dept - Start 4 Firefighters in Januar (150,000)	Planning Dept - Training (3,000)	Emerson Station Gasoline Tank (5,000)	
Fire Dept - Water vacs (3,800)	Eco Dev - BDC (25,000)	Skid Steer Grader Box (3,200)	
Police Dept - Salary vacancy (60,000)	Eco Dev - Public Art (6,000)	Engineering Radar/Speed (5,000)	
Coastal Resources - Part-time wages (11,000)	Eco Dev - Parking kiosk pilot program (40,000)	PW Capital - Curb extruder (18,000)	
Coastal Resources - Upweller (11,000)	Fire Dept - 4 new firefighters (165,831)	PW Capital - message board (14,500)	
Parks & Rec - Furbish trails devel (49,210)	Fire Dept - Training overtime (21,000)	PW Capital - LED light tower (10,599)	
People Plus/Teen Center - 5% increase (3,965)	Fire Dept - Fitness equipment (4,500)	Parks & Recreation Various (50,000)	
Curtis Memorial Library - 5% increase (23,238)	Fire Dept - Wearing apparel (10,000)	Sidewalk Reserve (15,000)	
	Fire Dept - Medication pumps (11,500)	Vehicle/Equip reserves - flat fund (13,960)	
	Recycling disposal (75,600)	Facilities Reserve (50,000)	
	Parks & Rec B&G - Gator UTV (29,800)	IT/Cable TV Reserve (25,000)	
	Curtis Memorial Library - 3% increase (30,269)	Park Rangers (30,000)	
	BDA - 0% increase (5,000)	Curtis Memorial Library - 0% increase (45,403)	
	Street resurfacing & rehabilitation (100,000)	People Plus/Teen Center - 0% increase (7,431)	
	Facilities Reserve (150,000)	Property Tax Relief (35,000)	
	IT/Cable TV Reserve (75,000)	Curtis Memorial Library - add'tl reduction (50,000)	
	Landfill subsidy (150,000)	People Plus/Teen Center - addtl reduc (10,000)	
	Train station subsidy (25,000)	BDA - addtl reduction (10,000)	
		<b>Police Dept - 2nd Salary Vacancy</b> -	
		<b>Position Reductions (2)</b> (150,000)	
		<b>PW Seasonal Labor</b> (40,000)	
		<b>Position Reductions (1)</b> -	
Total Expenditure adjustments (550,813)	(1,167,859)	(613,093)	(2,331,765)
Total Revenue adjustments -	604,000	175,000	779,000
	(563,859)	(438,093)	(1,552,765)

**Manager's Preliminary Budget - March 5, 2020**  
Municipal Depts only - tax rate impact 2.23%

**Manager's Proposed Budget - April 21, 2020**  
Municipal Depts only - tax rate impact 0.96%

**Manager/Council suggested - May 21, 2020**  
Municipal Depts only - tax rate impact 0.00%

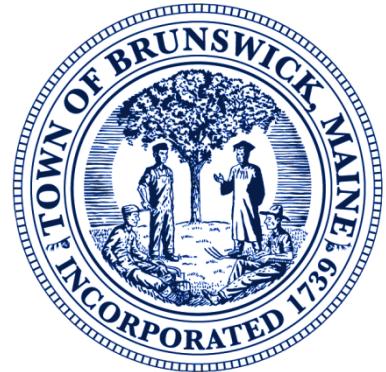
## Town of Brunswick Tax Rates - Percentage by category



# Important Dates

Date	Meeting	Item
Monday, 6/1/20	Town Council Meeting	Public Hearing
Thursday, 6/4/20	Budget Workshop	
Thursday, 6/11/20	Budget Workshop	
Monday, 6/15/20	Town Council Meeting	Adopt Budget & CIP
Tuesday, 7/14/20	Budget Referendum	

# Town of Brunswick Capital Improvement Program Fiscal years ending 2021–2025



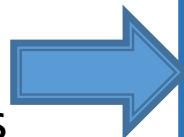
**Manager's Proposed CIP**  
Delivered to Town Council April 21, 2020

Available on Town of Brunswick website:  
[www.brunswickme.org](http://www.brunswickme.org)

# Reminders about the CIP:

CIP – A multi-year financial plan for capital projects and acquisitions, along with proposed funding sources and estimated operational costs.

- Sets priorities
- Promotes coordination of efforts
- Guides debt financing decisions
- Links other plans with the budget process
- **Does NOT authorize funding**



Capital Project or Acquisition

- Minimum \$100,000 cost; 5 year life

Annual Programs/Reserves

- Vehicle/Equipment Replacement
- Work Programs

Operating Costs

- \$25,000 or greater



Final project funding is a separate action:

- Bond ordinances
- Capital budget resolutions
- Supplemental appropriations

# Recommended Projects (Pg 2)

2020-21 projects for funding through capital budget resolutions:

→ =  
funded with General Fund Balance

	2019-20	2020-21	FUNDING
<b>I. PROJECTS RECOMMENDED FOR FUNDING</b>			
<b>Facilities</b>			
Facilities Reserve	\$ 300,000	\$	- Gen. Fund Bal.
Central Fire Station	13,500,000		- G.O. Bonds
27 Brunswick Junior High School	-	402,000	G.O. Bonds
Veteran's Plaza	408,494		- Donations/Grants
Veteran's Plaza - banner poles	34,719		- TIF Revenues
<b>Total Facilities</b>	<b>14,243,213</b>	<b>402,000</b>	
<b>Infrastructure</b>			
31 Street Resurfacing/Rehabilitation	200,000	250,000	G.O. Bonds - TIF
31 MaineDOT Municipal Partnership	-	250,000	M.D.O.T
33 Pleasant St Corridor - PPI	46,922	133,333	TIF Revenues
33 Pleasant St Corridor - PPI	46,922	66,667	M.D.O.T
35 Cedar St Parking	42,000	330,000	TIF Revenues
35 Cedar St Parking	168,000	1,320,000	M.D.O.T
37 Downtown Improvements	400,000	1,520,000	G.O. Bonds - TIF
37 Downtown Improvements	-	15,000	Donations/Grants
39 Riverwalk	16,000		- Donations/Grants
39 Riverwalk	64,000		- M.D.O.T
People Plus Parking Lot	100,000		- Gen. Fund Bal.
43 MerePoint Wastewater Forcemain	-	120,000	Other
45 Bath Road Signal Upgrades	50,000	20,000	TIF Revenues
45 Bath Road Signal Upgrades	-	80,000	M.D.O.T
47 LED Streetlights	-	381,000	Gen. Fund Bal.
<b>Total Infrastructure</b>	<b>1,133,844</b>	<b>4,486,000</b>	
<b>Capital Acquisitions / Other</b>			
49 Tank 2 Replacement	-	415,000	G.O. Bonds
IT Server System Upgrade	252,500		- Gen. Fund Bal.
51 SCBA Replacement	-	260,000	Gen. Fund Bal.
<b>Total Capital Acquisitions/Other</b>	<b>252,500</b>	<b>675,000</b>	
<b>Total Capital Improvements</b>	<b>\$15,629,557</b>	<b>\$ 5,563,000</b>	

# Recommended 2020-21 Reserves (page 3)

## funded through annual budget

		2019-20	2020-21	FUNDING
<b>Municipal Vehicle/Equipment/Facilities/IT Reserves</b>				
18	Fire Vehicle/Equip Replacement	\$ 113,000	\$ 115,260	Munic. Rev.
19	Police Vehicle/Equip Replacement	160,000	163,200	Munic. Rev.
20	PW Vehicle/Equip Replacement	365,000	372,300	Munic. Rev.
21	P&R Vehicle/Equip Replacement	60,000	61,200	Munic. Rev.
22	Facilities Repair Program	300,000	50,000	Munic. Rev.
23	IT/Cable TV Equipment	50,000	25,000	Munic. Rev.
		<hr/> 1,048,000	<hr/> 786,960	
<b>Annual Public Works Programs</b>				
26	PW - Sidewalks	50,000	65,000	Munic. Rev.
24	PW - Street Resurfacing/Rehab	<hr/> 1,300,000	<hr/> 1,200,000	Munic. Rev.
<b>Total annual work programs</b>		<hr/> 1,350,000	<hr/> 1,265,000	

Portion of 2019-20 funding was from fund balance:

- Facilities Reserve – \$300,000
- Street Resurfacing/Rehabilitation – \$200,000

# Capital Budget (pgs 88-89 of proposed budget)

	2018-19 Actual	2019-20 Council Approved	2019-20 Adj/Suppl.	2019-20 Final	2020-21 Manager Proposed
<b>From General Fund Balance:</b>					
<i>General Government</i>					
Facilities Reserve Fund	\$ 300,000	\$ 300,000	\$	\$ 300,000	\$ -
Dark Fiber WAN project	130,500	-	-	-	-
IT Server System Upgrade	-	252,500	-	252,500	-
<i>Public Safety</i>					
LED Streetlights	-	-	-	-	381,000
SCBA Replacement	-	-	-	-	260,000
<i>Public Works</i>					
Moody Rd & Merryman Ln	180,000	-	-	-	-
Kimberley Circle	165,000	-	-	-	-
Sept 2018 Wind Storm Emerg Approp	30,000	-	-	-	-
Street Resurfacing/Rehabilitation Program	-	200,000	-	200,000	-
People Plus Parking Lot	-	100,000	-	100,000	-
Bath Road Signal Upgrades	-	50,000	-	50,000	-
<i>Education</i>					
BHS Crooker Theater AC	300,000	-	-	-	-
BHS Track Facility	250,000	-	-	-	-
<b>Use of Fund Balance</b>	<b>1,355,500</b>	<b>902,500</b>	-	<b>902,500</b>	<b>641,000</b>
<b>From Municipal Revenues :</b>					
<i>Streets and Sidewalks</i>					
Street Resurfacing/Rehabilitation Program	750,000	1,100,000	-	1,100,000	1,200,000
Sidewalk Program	50,000	50,000	-	50,000	65,000
<i>Vehicle/Equipment Replacement</i>					
Fire Vehicle Replacement	110,408	113,000	-	113,000	115,260
Police Vehicle Replacement	155,040	160,000	-	160,000	163,200
PW Equipment Replacement	354,410	365,000	-	365,000	372,300
P&R Vehicle Replacement	56,100	60,000	-	60,000	61,200
<i>Other Reserves</i>					
Facilities Repair Program	-	-	-	-	50,000
IT/Cable TV Equipment	-	50,000	-	50,000	25,000
<b>Municipal Revenues</b>	<b>1,475,958</b>	<b>1,898,000</b>	-	<b>1,898,000</b>	<b>2,051,960</b>

**END**

