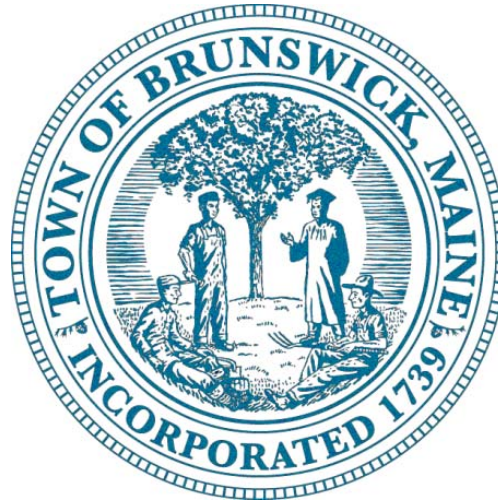


Town of Brunswick, Maine



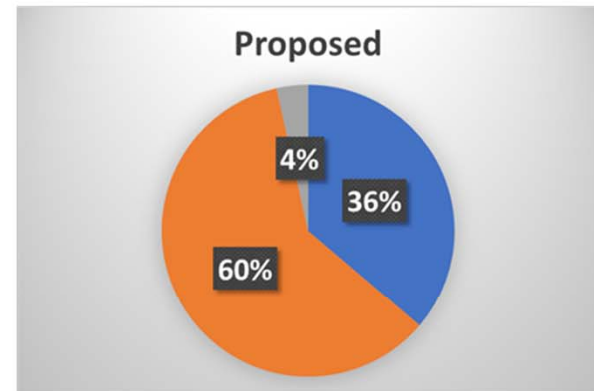
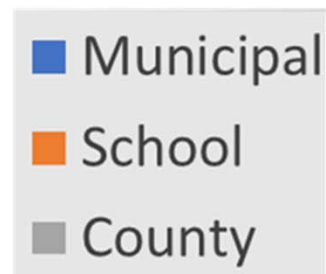
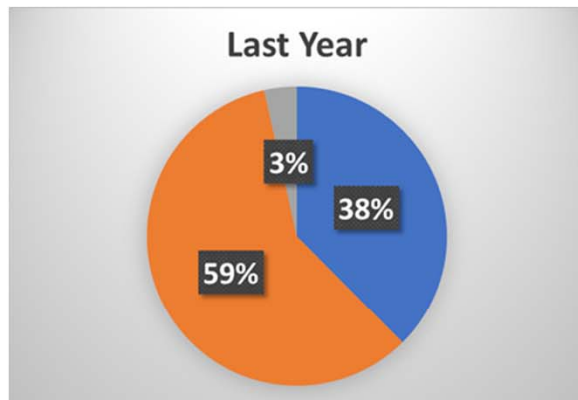
Town of Brunswick 2020–21 Budget and 2021–2025 CIP Public Hearing

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

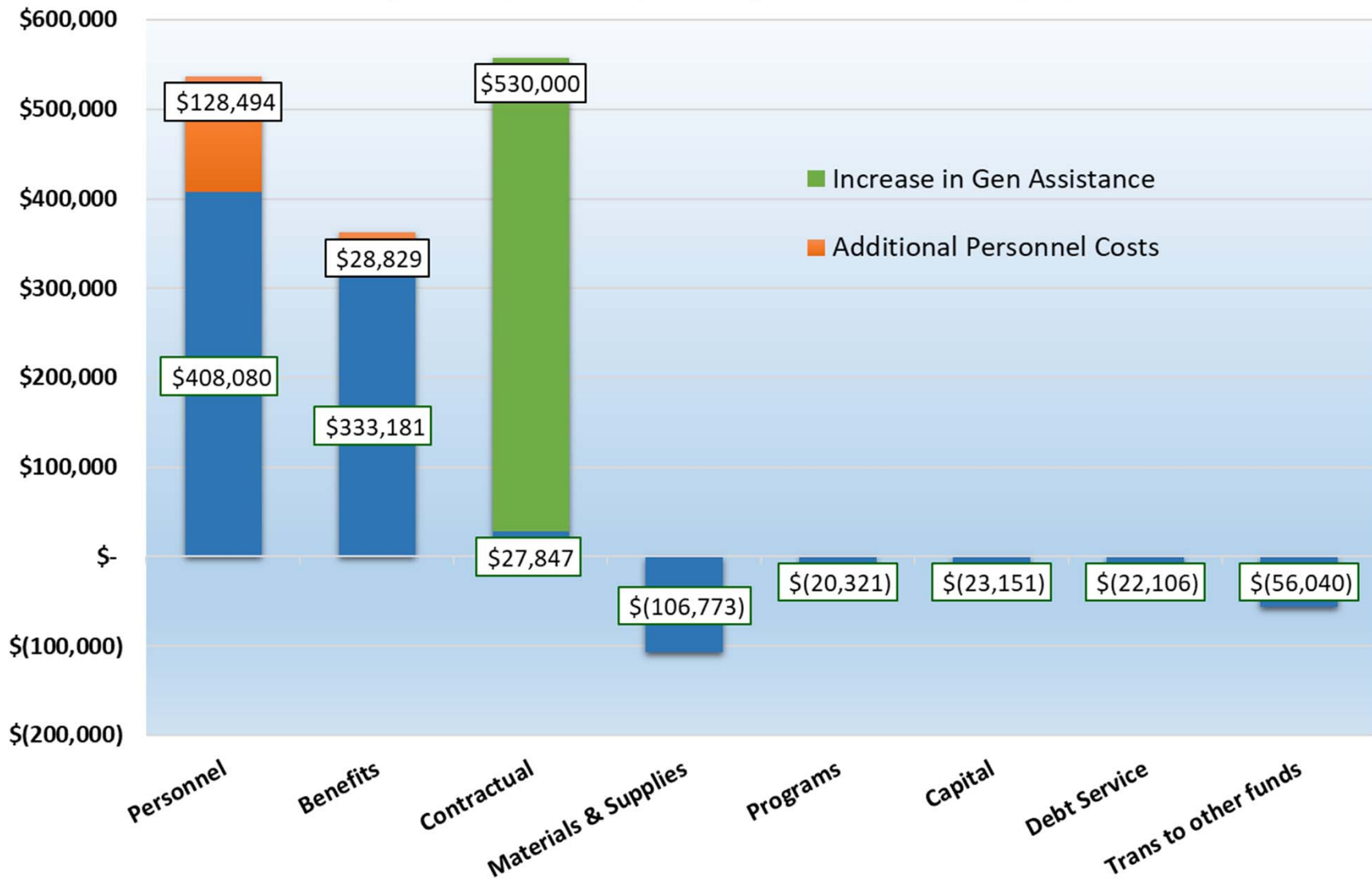
Fewer Municipal FTEs than in 2007

▶ 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

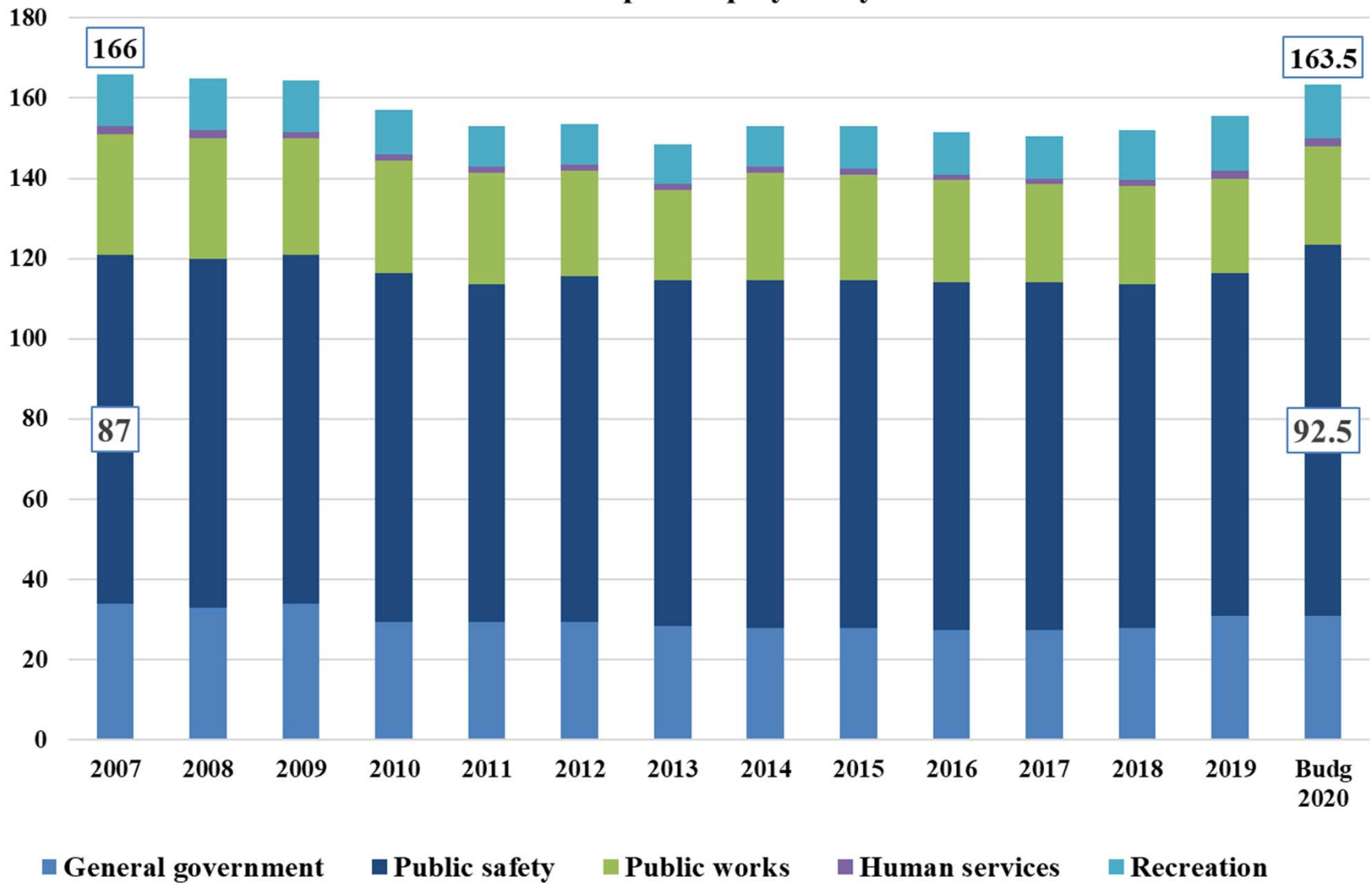
Tax Rate Increase for Kate Furbish School Debt Service and County Tax



	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



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

<u>Function</u>	<u>Fiscal Year</u>			
	<u>2007</u>	<u>2020</u> <u>Budgeted</u>	<u>Change</u>	
General government				
Administration	4.0	5.0	1.0	Admin Floater position replaced Assessing Clerk in FY2010
Finance	10.0	8.0	(2.0)	
Technology	-	1.0	1.0	IT function contracted through School Dept until FY2011
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	Moved Engineering Function out of PW in FY2019
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)	Added 4 firefighters & 1 inspector FY2020
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	Added dispatch services for Freeport and Pownal in FY2012
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)	Seasonal Parks employees made permanent in FY2020
Buildings and grounds	7.0	8.5	1.5	
Totals	166	163.5	(2.5)	

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 31st
 - 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

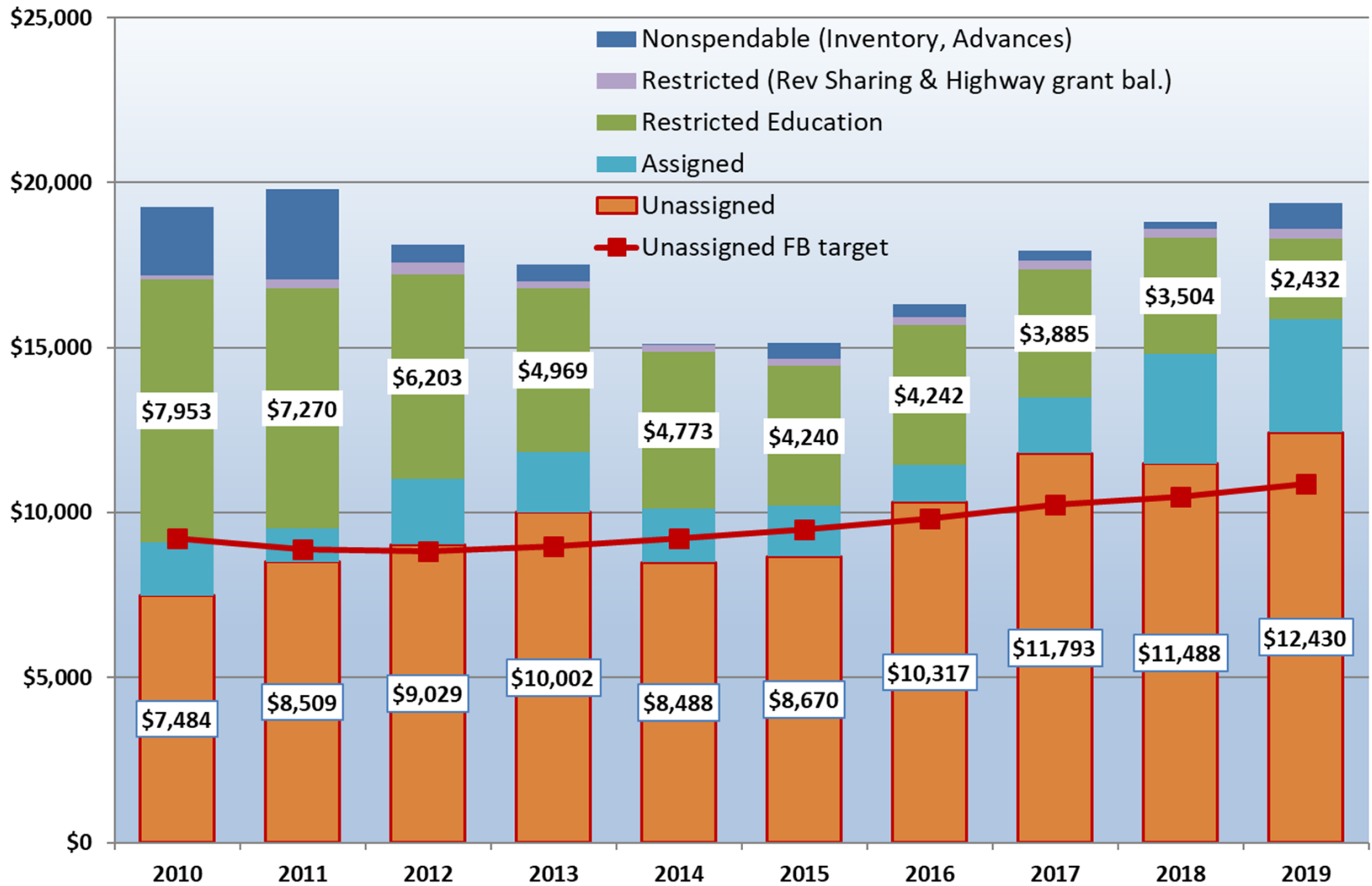
Fund Balance Policy
Adopted October 18, 2010

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





Summary:

Brunswick, Maine; General Obligation

Credit Profile

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

Long Term Rating AA+/Stable New

January 10, 2020

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

<u>Manager's Adjustments - Preliminary Budget</u>		<u>Manager's Adjustments - Proposed Budget</u>		<u>Manager's Additional Adjustments</u>		<u>Total</u>
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 - addt'l reduction	(10,000)	
		Train station subsidy	(25,000)	BDA - addt'l reduction	(10,000)	
				Police Dept - 2nd Salary Vacancy	-	
				Position Reductions (2)	(150,000)	
				PW Seasonal Labor	(40,000)	
				Position Reductions (1)	-	
Total Expenditure adjustments	(550,813)		(1,167,859)		(613,093)	(2,331,765)
Total Revenue adjustments	-		604,000		175,000	779,000
	(550,813)		(563,859)		(438,093)	(1,552,765)

Manager's Preliminary Budget - March 5, 2020

Municipal Depts only - tax rate impact 2.23%

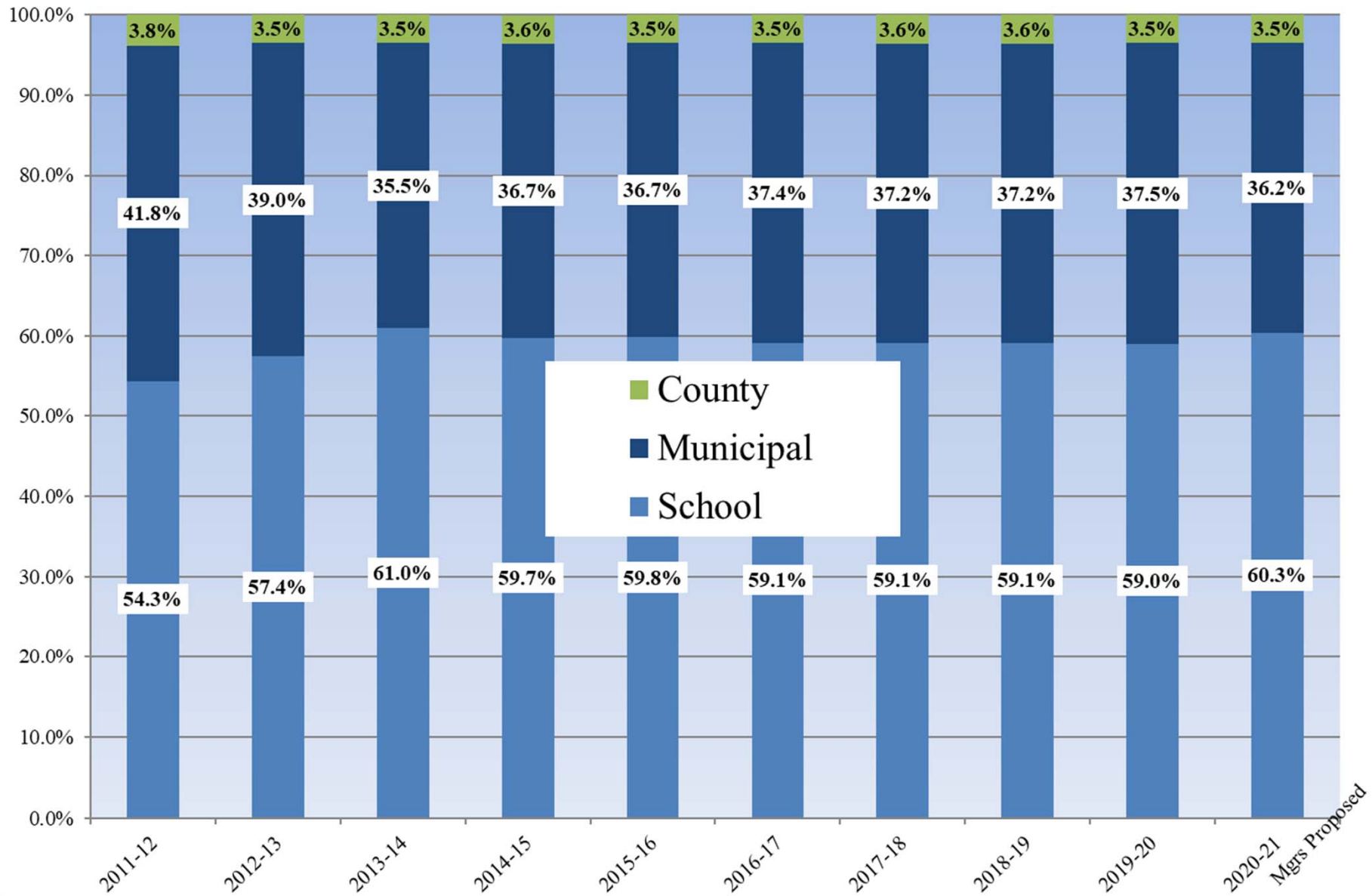
Manager's Proposed Budget - April 21, 2020

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

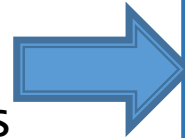


Manager's Proposed CIP
Delivered to Town Council April 21, 2020

Available on Town of Brunswick website:
www.brunswickme.org

Reminders about the CIP:

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



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

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



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
I. PROJECTS RECOMMENDED FOR FUNDING			
Facilities			
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
Total Facilities	14,243,213	402,000	
Infrastructure			
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.
Total Infrastructure	1,133,844	4,486,000	
Capital Acquisitions / Other			
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.
Total Capital Acquisitions/Other	252,500	675,000	
Total Capital Improvements	\$ 15,629,557	\$ 5,563,000	

Recommended 2020–21 Reserves (page 3) funded through annual budget

	2019-20	2020-21	FUNDING
Municipal Vehicle/Equipment/Facilities/IT Reserves			
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.
	<u>1,048,000</u>	<u>786,960</u>	
Annual Public Works Programs			
26 PW - Sidewalks	50,000	65,000	Munic. Rev.
24 PW - Street Resurfacing/Rehab	<u>1,300,000</u>	<u>1,200,000</u>	Munic. Rev.
Total annual work programs	1,350,000	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
From General Fund Balance:					
<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	-	-	-	-
Use of Fund Balance	1,355,500	902,500	-	902,500	641,000
From Municipal Revenues:					
<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
Municipal Revenues	1,475,958	1,898,000	-	1,898,000	2,051,960

END

