


**Banking & Advisory Group**

NEW ISSUE

Moody's:

S&amp;P:

In the opinion of Bernstein Shur Sawyer & Nelson, P.A., Bond Counsel, ("Bond Counsel") and assuming compliance with certain tax covenants, under existing statutes, regulations and court decisions, interest on the Bonds (as defined below) is excludable from the gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). In addition, such interest is not an item of tax preference for purposes of calculating the alternative minimum tax under the Code. Bond Counsel is also of the opinion that pursuant to Title 30-A, Section 5772(9) of the Maine Revised Statutes, as amended, the interest paid on the Bonds is exempt from income tax within the State of Maine (the "State") under existing statutes, regulations and judicial decisions. **The Town will not designate the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code.** See "THE BONDS - TAX MATTERS" and "APPENDIX B" herein.

**TOWN OF BRUNSWICK, MAINE**
**\$26,250,000**
**2020 GENERAL OBLIGATION BONDS**

Dated: Date of Delivery				Due: November 1, as shown below			
Year of		Interest	Yield or	Year of		Interest	Yield or
<u>Maturity</u>	<u>Amount</u>	<u>Rate</u>	<u>Price</u>	<u>Maturity</u>	<u>Amount</u>	<u>Rate</u>	<u>Price</u>
2020	\$675,000			2033	\$1,180,000		
2021	885,000			2034	1,205,000		
2022	905,000			2035	1,100,000		
2023	930,000			2036	1,100,000		
2024	950,000			2037	1,100,000		
2025	975,000			2038	1,100,000		
2026	1,000,000			2039	1,100,000		
2027	1,025,000			2040	1,100,000		
2028	1,050,000			2041	1,100,000		
2029	1,075,000			2042	1,100,000		
2030	1,105,000			2043	1,100,000		
2031	1,135,000			2044	1,100,000		
2032	1,155,000						

The Town of Brunswick, Maine 2020 General Obligation Bonds (the "Bonds") will be issued as fully-registered certificates without coupons and, when issued, will be registered in the name of Cede & Co., as Bondowner and nominee for The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Bonds. Purchases of the Bonds will be made in book-entry form, in the minimum denomination of \$5,000 or any integral multiple thereof. Purchasers will not receive certificates representing their interest in Bonds purchased. See "THE BONDS - BOOK-ENTRY-ONLY SYSTEM" herein. Principal and interest on the Bonds will be paid to DTC by U.S. Bank National Association, Boston, Massachusetts, as Paying Agent. Interest on the Bonds will be payable on November 1, 2020 and semi-annually on each May 1 and November 1 thereafter until maturity, or redemption prior to maturity.

The legal opinion of Bond Counsel will be provided to the original purchaser and will indicate that the Bonds are valid general obligations of the Town of Brunswick, Maine (the "Town") and, unless paid from other sources are payable as to both principal and interest from ad valorem taxes that are subject to limitation unless certain procedural requirements under Title 30-A, Section 5721-A of the Maine Revised Statutes, as amended, are met, in which case such ad valorem taxes may then be levied, without limit as to rate or amount upon all the property within the territorial limits of the Town and taxable by it (see "THE BONDS - SOURCE OF PAYMENTS AND REMEDIES - Limitation on Municipal Property Tax Levy" herein), except to the extent that the Town may enter into an agreement under Title 30-A, Chapter 223, Subchapter V of the Maine Revised Statutes, as amended, to share its assessed valuation with another municipality and except to the extent that the Town establishes or has established development districts either as tax increment financing districts or affordable housing development districts pursuant to Title 30-A, Chapter 206 and former (now repealed) Chapter 207 of the Maine Revised Statutes, as amended, the captured tax increment of which may or may not be available for payment of debt service on the Bonds (see "TOWN FINANCES - TAX INCREMENT FINANCING DISTRICTS AND AFFORDABLE HOUSING DEVELOPMENT DISTRICTS" herein). Bonds issued for school improvements that will be included in the school budget, governed by and appropriated in accordance with Title 20-A, Chapter 606-B of the Maine Revised Statutes, as amended, such as the School Project, are not subject to the property tax limit set forth in Title 30-A, Section 5721-A of the Maine Revised Statutes, as amended. The Town's Treasurer has certified that the Town has no agreements under Title 30-A, Chapter 223, Subchapter V of the Maine Revised Statutes, as amended, to share assessed valuation with another municipality. The Town has established certain tax increment financing districts and elected to retain a portion of the tax increment on the captured assessed value of the property in the districts to pay costs of the economic development projects and programs described in the development programs adopted with respect to the districts. Within the limits established by statute, the Town has the right to designate additional development districts pursuant to Title 30-A, Chapter 206 of the Maine Revised Statutes, as amended. Bond Counsel's opinion will indicate that the enforceability of the obligations of the Town, including the Bonds, is subject to and may be limited by bankruptcy, insolvency, moratorium and other laws affecting the rights and remedies of creditors generally, and are subject to general principles of equity. The opinion will be dated and given on and will speak as of the date of original delivery of the Bonds to the original purchasers.

Bonds maturing on and before November 1, 2030 are not subject to redemption prior to their stated dates of maturity. The Bonds maturing on and after November 1, 2031 are subject to redemption prior to their stated dates of maturity, at the option of the Town, on and after November 1, 2030 as more fully set forth herein (see "THE BONDS - OPTIONAL REDEMPTION PRIOR TO MATURITY" herein).

The Bonds are offered when, as and if issued, subject to the approval of legality by Bernstein Shur Sawyer & Nelson, P.A. of Portland, Maine, Bond Counsel. It is expected that the Bonds in definitive form will be available for delivery to DTC on or about January 30, 2020.

No dealer, broker, salesman or other person has been authorized by the Town or the Underwriter to give any information or to make any representations, other than those contained in this Official Statement, in connection with the offering of the Bonds, and if given or made, such information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained from the Town and other sources which are believed to be reliable, but is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by, any party other than the Town. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the condition or affairs of the Town since the date hereof.

THE BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. THE REGISTRATION OR QUALIFICATION OF THE BONDS IN ACCORDANCE WITH APPLICABLE PROVISIONS OF SECURITIES LAWS OF THE STATES IN WHICH THE BONDS HAVE BEEN REGISTERED OR QUALIFIED, AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN OTHER STATES, CANNOT BE REGARDED AS A RECOMMENDATION THEREOF. NONE OF THESE STATES NOR ANY OF THEIR AGENCIES HAVE PASSED UPON THE MERITS OF THE BONDS OR THE ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

The CUSIP numbers set forth in this Official Statement have been assigned by an independent company not affiliated with the Town and are included solely for the convenience of the holders of the Bonds. Neither the Town nor the Underwriter makes any representation with respect to the accuracy of such CUSIP numbers set forth in this Official Statement or undertakes any responsibility for the selection of the CUSIP numbers or their accuracy now or at any time in the future. The Town is not responsible for the selection or uses of the CUSIP numbers and no representation is made as to their correctness on the Bonds or as set forth in this Official Statement. The CUSIP number for a specific maturity of the Bonds is subject to change after the issuance of the Bonds and as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that may be applicable to all or a portion of certain maturities of the Bonds.

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**CERTIFICATE  
CONCERNING OFFICIAL STATEMENT**

The information contained herein has been prepared by the Town of Brunswick, Maine with the assistance of Moors & Cabot, Inc., its Municipal Advisor, from the records of the Town and from various other public documents and sources which are believed to be reliable. There has been no independent investigation of such information by the Municipal Advisor, by Bernstein Shur Sawyer & Nelson, P.A., Bond Counsel, and such information is not guaranteed as to accuracy or completeness and is not intended to be a representation by the Municipal Advisor or Bond Counsel.

This Official Statement is not to be construed as a contract or agreement between the Town and the purchasers or holders of any of the Bonds. Any statements made in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended merely as opinion and not as representations of fact. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Town or its agencies and authorities, since the date hereof.

To the best of the knowledge and belief of the Treasurer of the Town, this Official Statement does not contain any untrue statement of a material fact and does not omit to state any material fact necessary to make the statements made herein, in the light of the circumstances under which they were made, not misleading, subject to the condition that while information in the Official Statement obtained from sources other than the Town is not guaranteed as to accuracy, completeness or fairness, the Treasurer has no reason to believe that such information is materially inaccurate or misleading. A certificate to this effect, with such if any corrections, changes and additions as may be necessary, will be signed by the Treasurer and furnished at the closing.

This Official Statement is in a form “deemed final” by the Town for purposes of Securities and Exchange Commission’s Rule 15c2-12(b) [17 C.F.R. §240.15c2-12(b)] except for the omission from the Preliminary Official Statement of such information as is permitted by such Rule.

Julia A.C. Henze  
Treasurer  
Town of Brunswick, Maine

**OFFICIAL STATEMENT  
TOWN OF BRUNSWICK, MAINE  
\$26,250,000  
2020 GENERAL OBLIGATION BONDS**

This Official Statement is provided for the purpose of presenting certain information relating to the Town of Brunswick, Maine (the “Town” or “Brunswick”) in connection with the sale of its 2020 General Obligation Bonds (the “Bonds”).

**THE BONDS**

**DESCRIPTION OF THE BONDS**

The Bonds will be issued only as fully-registered bonds without coupons, one certificate per maturity, and, when issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York City, New York (“DTC” or the “Securities Depository”). DTC will act as the securities depository for the Bonds. Purchases of the Bonds will be made in book-entry form, in the minimum denomination of \$5,000, or any integral multiple thereof. The Bonds will be dated on the date of delivery and will bear interest (accrued on the basis of a 360-day year with twelve 30-day months) payable on November 1, 2020, and semi-annually thereafter on May 1 and November 1 of each year until maturity, or redemption prior to maturity. The Bonds will mature as follows:

<u>Amount</u>	<u>November 1,</u>	<u>CUSIP</u>	<u>Amount</u>	<u>November 1,</u>	<u>CUSIP</u>
\$675,000	2020	117205MV3	\$1,180,000	2033	117205NJ9
885,000	2021	117205MW1	1,205,000	2034	117205NK6
905,000	2022	117205MX9	1,100,000	2035	117205NL4
930,000	2023	117205MY7	1,100,000	2036	117205NM2
950,000	2024	117205MZ4	1,100,000	2037	117205NN0
975,000	2025	117205NA8	1,100,000	2038	117205NP5
1,000,000	2026	117205NB6	1,100,000	2039	117205NQ3
1,025,000	2027	117205NC4	1,100,000	2040	117205NR1
1,050,000	2028	117205ND2	1,100,000	2041	117205NS9
1,075,000	2029	117205NE0	1,100,000	2042	117205NT7
1,105,000	2030	117205NF7	1,100,000	2043	117205NU4
1,135,000	2031	117205NG5	1,100,000	2044	117205NV2
1,155,000	2032	117205NH3			

It is expected that the Bonds will be available for delivery at DTC on or about January 30, 2020.

Principal of and interest on the Bonds will be payable in Clearing House Funds to DTC, or its nominee, as registered owner of the Bonds by U.S. Bank National Association, Boston, Massachusetts, as paying agent (the “Paying Agent”). Transfer of principal and interest payments to Participants of DTC will be the responsibility of DTC. Transfer of principal and interest payments to Beneficial Owners (as hereinafter defined) will be the responsibility of such Participants and other nominees of Beneficial Owners. The Town will not be responsible or liable for maintaining, supervising or reviewing the records maintained by DTC, its Participants or persons acting through such Participants. See “THE BONDS - BOOK-ENTRY-ONLY SYSTEM” herein.

**OPTIONAL REDEMPTION PRIOR TO MATURITY**

Bonds maturing on and before November 1, 2030 are not subject to optional redemption prior to their stated dates of maturity. Bonds maturing on or after November 1, 2031 are subject to redemption prior to their stated dates of maturity, at the option of the Town, on and after November 1, 2030, as a whole or in part at

any time, in such order of maturity as the Town, in its discretion, may determine at a price of par (100% of original stated amount of value at maturity), together with interest accrued and unpaid to the redemption date, if any.

## **GENERAL PROVISIONS REGARDING REDEMPTION**

### **Notice of Redemption**

In the case of every redemption of the Bonds, the Town shall cause notice of such redemption to be given to the registered owner of any Bonds designated for redemption in whole or in part, at his or her address as the same shall last appear upon the registration books kept by the Paying Agent by mailing a copy of the redemption notice by first class mail not less than thirty (30) days prior to the redemption date. Any notice mailed shall be conclusively presumed to have been duly given, whether or not the Bondholder actually receives notice. The failure of the Town to give notice to a Bondholder or any defect in such notice shall not affect the validity of the redemption of any Bond of any other owner. Each notice of redemption shall specify the date fixed for redemption, the place or places of payment, that payment will be made upon presentation and surrender of the Bonds to be redeemed, that interest, if any, accrued to the date fixed for redemption will be paid as specified in said notice, and that on and after said date interest thereon will cease to accrue. If less than all the Bonds outstanding are to be redeemed, the notice of redemption shall specify the numbers of the Bonds or portions thereof (in denominations of \$5,000 or any integral multiple thereof) to be redeemed. The Town shall notify the Securities Depository (see "THE BONDS - BOOK-ENTRY-ONLY SYSTEM" herein) in the same manner as the Bondholders, with a request that the Securities Depository notify its Participants who in turn notify the beneficial owners of such Bonds. Any failure on the part of the Securities Depository, or failure on the part of a nominee of a Beneficial Owner (having received notice from the Town, a Participant or otherwise) to notify the Beneficial Owner so affected, shall not affect the validity of the redemption of such Bond.

### **Bonds Due and Payable on Redemption Date; Interest Ceases to Accrue**

On any redemption date, the principal amount of each Bond to be redeemed, together with the premium, if any, and accrued interest thereon to such date, shall become due and payable. Funds shall be deposited with the Paying Agent to pay, and the Paying Agent is authorized and directed to apply such funds to the payment of the Bonds called for redemption, together with accrued interest thereon to the redemption date and redemption premium, if any. After such redemption date, notice having been given and funds deposited in the manner described above, then, notwithstanding that any Bonds called for redemption shall not have been surrendered, no further interest shall accrue on any of such Bonds. From and after such date of redemption (such notice having been given and funds deposited), the Bonds to be redeemed shall not be deemed to be outstanding.

### **Cancellation**

All Bonds that have been redeemed shall be canceled by the Paying Agent and either destroyed by the Paying Agent with counterparts of a certificate of destruction evidencing such destruction furnished by the Paying Agent to the Town or returned to the Town at its request.

### **Partial Redemption of Bonds**

Bonds or portions of Bonds to be redeemed in part shall be selected when held by a Securities Depository by lot and when not held by a Securities Depository, by the Town by lot or in such other manner as the Town in its discretion may deem appropriate.

## **RECORD DATE; PAYMENT**

The principal of the Bonds is payable upon surrender thereof at the principal Corporate Trust Office of the Paying Agent. Payment of the interest on the Bonds will be made to the person appearing on the registration books of the Paying Agent as the registered owner thereof at the close of business on the 15<sup>th</sup> day of the month preceding each interest payment date for the Bonds, and if such day is not a regular business day of the Paying Agent the next day preceding which is a regular business day of the Paying Agent, by check, wire or draft mailed to each registered owner at such person's address as it appears on the registration books, or at another address as is furnished to the Paying Agent in writing by the owner. Interest that is not timely paid or provided for shall cease to be payable to the registered owner as of the regular record date and shall be payable to the registered owner at the close of business on a special record date to be fixed by the Paying Agent.

## **AUTHORIZATION AND PURPOSE**

The Bonds are being issued to provide funds to finance the Planning, Design and Construction of a New Elementary School on the Site of the Former Jordan Acres School, with total project costs not to exceed \$28,000,000 (the "School Project") pursuant to bond ordinances of the Town Council adopted at its meeting held February 21, 2017 and approval of the voters of the Town at its Special Municipal Election, held on June 13, 2017. This authority is granted to the Town by Title 30-A, Section 5772 of the Maine Revised Statutes, as amended; and by Section 512 of the Town's Charter (as defined herein).

A portion of the proceeds of the Bonds, in the amount of \$20,000,000, will be used to refund, on a current basis, the outstanding portion of the Town's 2019 General Obligation Bond Anticipation Notes, dated September 5, 2019 and maturing on February 12, 2020, without the option to prepay, to provide a portion of the funds to finance the School Project.

The Town reasonably expects that the project will cost what is being borrowed to fund it. However, in the unlikely event unforeseen circumstances result in unspent bond proceeds upon completion of the School Project, or the Town abandons the School Project, the Town reserves the right to reallocate unspent proceeds to the costs of other qualified projects approved, or to be approved, by the Town Council, or to apply unspent proceeds to the payment of debt service on the Bonds.

## **SOURCE OF PAYMENT AND REMEDIES**

### **General**

The Bonds are general obligations of the Town and their payment is not limited to a particular fund or revenue source. Municipalities in the State of Maine (the "State") have the right to tax their inhabitants to pay municipal indebtedness. The Bonds are payable as to both principal and interest from ad valorem taxes that are subject to limitation unless the Town follows certain procedural requirements under Title 30-A, Section 5721-A of the Maine Revised Statutes, as amended, in which case the Town has the power to levy such ad valorem taxes without limit as to rate or amount upon all the taxable property within its territorial limits (see "THE BONDS – SOURCE OF PAYMENT AND REMEDIES – Limitation on Municipal Property Tax Levy" herein), except to the extent that the Town may enter into an agreement under Title 30-A, Chapter 223, Subchapter V of the Maine Revised Statutes, as amended, to share its assessed valuation with another municipality, and except to the extent that the Town establishes or has established development districts as tax increment financing districts or affordable housing development districts pursuant to Title 30-A, Chapter 206 and former (now repealed) Chapter 207 of the Maine Revised Statutes, as amended, the captured tax increment of which may or may not be available for payment of debt service on the Bonds (see "TOWN FINANCES - TAX INCREMENT FINANCING DISTRICTS AND



AFFORDABLE HOUSING DEVELOPMENT DISTRICTS” herein). The Treasurer of the Town has certified that no tax base sharing agreement now exists. The Town has established certain tax increment financing districts and elected to retain a portion of the tax increment on the captured assessed value of the property in these districts to pay costs of the economic development projects and programs described in the development programs for the districts. Within the limits established by statute, the Town has the right to designate additional development districts pursuant to Title 30-A, Chapter 206 of the Maine Revised Statutes, as amended. There is no statutory provision for a lien on any portion of the tax levy to secure bonds or notes, or judgments thereon, in priority to other claims.

The Town is subject to suit on the Bonds. Title 14, Section 4951 of the Maine Revised Statutes, as amended, provides that executions against a town shall be issued against the personal property of the residents of that town and real estate within its boundaries, whether or not owned by the town. Only town real estate not used for public purposes, however, is subject to such execution. In addition, Title 30-A, Section 5701 of the Maine Revised Statutes, as amended, provides that the personal property of the residents and the real estate within the boundaries of a municipality may be taken to pay any debt due from the municipality. There has been no judicial determination as to whether the statutory remedy of taking property of residents to satisfy debts of or judgments against, a municipality is constitutional under current due process and equal protection standards and Bond Counsel expresses no opinion thereon. There has been no judicial determination as to whether statutory remedies available against towns are applicable to cities and Bond Counsel expresses no opinion thereon.

Funds to meet Town expenses, including debt service, are not included in the tax levy to the extent they are expected to be met with other non-tax revenues. Amounts necessary to repay sums borrowed temporarily in anticipation of bonds or grants are similarly excluded because they would normally be expected to be paid from the anticipated bond proceeds or grants. Enforcement of a claim for payment of principal of or interest on bonds or notes would be subject to the applicable provisions of federal bankruptcy laws and to the provisions of statutes, if any, hereafter enacted by the Congress or the State Legislature extending the time for payment or imposing other constraints upon enforcement insofar as the same may be constitutionally applied. The Bonds are not guaranteed by the State.

### **Limitation on Municipal Property Tax Levy**

Effective July 1, 2005, the Legislature enacted LD 1, codified in part as Title 30-A, Section 5721-A of the Maine Revised Statutes, as amended, which, subject to certain procedural overrides, establishes a limit on municipal property tax levies. This limit is referred to as the “Property Tax Levy Limit”. With certain exceptions, a municipality may not adopt a property tax levy that exceeds its Property Tax Levy Limit from one year to the next by more than a specified growth limitation factor. Therefore, in cases where the amount of the prior year’s Property Tax Levy Limit exceeds the amount of the Town’s actual property tax levy, the Town may carry-forward that difference in establishing its future years’ property tax levy. See “TOWN FINANCES - Property Tax Levy Limit” herein.

The growth limitation factor is the average personal income growth as defined by Title 5, Section 1531 of the Maine Revised Statutes, as amended, plus the property growth factor. The property growth factor is a percentage equivalent to a fraction established by a municipality whose denominator is the total valuation of the municipality, and whose numerator is the amount of increase in the assessed value of any real or personal property in the municipality that becomes subject to taxation for the first time, or taxed as a separate parcel for the first time for the most recent property tax year for which information is available, or that has had an increase in its assessed valuation over the prior year's valuation as a result of improvements to or expansion of the property. For municipalities that qualify as a result of a relatively larger percentage of personal property, personal property can be incorporated into the property growth factor calculation. In addition, a municipality is required to lower its Property Tax Levy Limit in any year by an amount equal to

net new funds provided by the State for existing services funded in whole or in part by the property tax levy.

The Town may increase the Property Tax Levy by a majority vote of the entire Town Council on a separate article that specifically identifies the intent to exceed the Property Tax Levy Limit. Pursuant to Title 30-A, Section 5721-A(7)(B) of the Maine Revised Statutes, as amended, this action, however, is subject to override by initiative upon a petition signed by at least 10% of the number of voters voting in the last gubernatorial election in the municipality submitted within 30 days of the Council's vote. However, the opportunity for the voters to petition for a referendum vote on the Council's decision is not provided if the municipal charter "prohibits a petition and referendum process".

In lieu of increasing the Property Tax Levy Limit, the Town Council may vote to exceed the Property Tax Levy Limit for extraordinary circumstances. Exceeding the Property Tax Levy Limit permits the property tax levy to exceed the Property Tax Levy Limit only for the year in which the extraordinary circumstance occurs and does not increase the base for purposes of calculating the Property Tax Levy Limit for future years. Extraordinary circumstances are circumstances outside the control of the Town Council and include:

- (1) Catastrophic events such as natural disaster, terrorism, fire, war or riot;
- (2) Unfunded or underfunded State or federal mandates;
- (3) Citizens' initiatives or other referenda;
- (4) Court orders or decrees; or
- (5) Loss of State or federal funding.

Extraordinary circumstances do not include changes in economic conditions, revenue shortfalls, increases in salaries or benefits, new programs or program expansions that go beyond existing program criteria and operation.

Title 30-A, Section 5721-A of the Maine Revised Statutes, as amended, does not limit the amount of taxes which may be raised by a municipality to pay items included in the school budget, governed by and appropriated in accordance with Title 20-A, Chapter 606-B of the Maine Revised Statutes, as amended. Debt service on school improvements, such as the School Project financed by the Bonds, is includable in the school budget and the Town is therefore able to levy ad valorem property taxes without limit as to rate or amount to pay the debt service on that portion of the Bonds.

The Town does not expect that the Property Tax Levy Limit will have a material adverse effect on the Town's financial condition or on the ability of the Town to pay the principal of, and premiums, if any, and interest on the Bonds when due.

## **TAX MATTERS**

### **The Bonds**

The Internal Revenue Code of 1986, as amended (the "Code"), imposes certain requirements that must be met on a continuing basis subsequent to the issuance of the Bonds in order that interest on the Bonds be and remain excludable from gross income for federal income tax purposes pursuant to section 103 of the Code. These requirements include, but are not limited to, requirements relating to the use, investment and expenditure of bond proceeds and the requirement that certain earnings be rebated to the federal government. Failure of the Town to comply with such requirements may cause interest on the Bonds to be included in the gross income of the holders thereof for purposes of federal income taxation retroactive to the date of issuance of the Bonds, regardless of when such noncompliance occurs or is ascertained.

The Town will make certain representations with respect to the use of the proceeds of the Bonds and the

projects and improvements financed by the Bonds and will covenant (i) to comply with the provisions and procedures of the Code applicable to the Bonds and (ii) not to take any action or permit any action that would cause the interest paid on the Bonds to be included in gross income for purposes of federal income taxation pursuant to section 103 of the Code.

In the opinion of Bond Counsel and assuming compliance with certain tax covenants, under existing statutes, regulations and court decisions interest on the Bonds is excludable from the gross income of the owners of the Bonds for federal income tax purposes pursuant to Section 103 of the Code. In addition, such interest is not an item of tax preference under the Code. In rendering its opinion, Bond Counsel will rely upon the Town's representations made with respect to the use of the proceeds of the Bonds, and the projects financed with the Bonds, and the Town's covenant that it will comply with the Code.

### **Exemption of Interest on the Bonds from Taxation Within the State of Maine**

In the opinion of Bond Counsel, interest paid on the Bonds is exempt from income taxation within the State pursuant to Title 30-A, Section 5772(9) of the Maine Revised Statutes, as amended. See "PROPOSED FORM OF LEGAL OPINION" in APPENDIX B herein.

### **Designated as Qualified Tax-Exempt Obligations**

The Town *will not designate* the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code.

### **Original Issue Discount**

Certain maturities of the Bonds (the "Discount Bonds") may be sold at an issue price that is less than the stated redemption price of the Discount Bonds at maturity (excluding certain "qualified stated interest" that is unconditionally payable at least annually at prescribed rates). The difference between the issue price at which each of the Discount Bonds is sold and the stated redemption price at maturity (excluding certain "qualified stated interest" that is unconditionally payable at least annually at prescribed rates) of each of the Discount Bonds constitutes original issue discount ("OID"). Pursuant to Section 1288 of the Code, OID on the Discount Bonds accrues on the basis of economic accrual under a constant yield method, based on periodic compounding of interest over prescribed accrual periods using a compounding rate determined by reference to the yield on the Discount Bonds, as applicable. The basis of an initial purchaser of a Discount Bond acquired at the initial public offering price of the Discount Bond will be increased by the amount of such accrued OID for purposes of determining gain or loss on the sale, exchange, or other disposition of such Bond. Bond Counsel is of the opinion that the appropriate portion of the OID properly allocable to the original and each subsequent owner of the Discount Bonds will be treated as interest excludable from gross income for federal income tax purposes pursuant to Section 103 of the Code to the same extent as stated interest on the Discount Bonds .

Prospective purchasers of the Discount Bonds should consult their tax advisors with respect to the determination for federal income tax purposes of the OID properly accruable with respect to the Discount Bonds and the tax accounting treatment of accrued interest, and the state and local tax consequences of acquiring, holding, and disposing of Discount Bonds.

### **Original Issue Premium**

Certain maturities of the Bonds may be sold at a purchase price in excess of the amount payable on such Bonds after the acquisition date (excluding certain "qualified stated interest" that is unconditionally payable at least annually at prescribed rates) (the "Premium Bonds"). The excess, if any, of the tax basis of the

Premium Bonds to a purchaser (other than a purchaser who holds such Premium Bonds as inventory, stock in trade or for sale to customers in the ordinary course of business) over the amount payable at maturity (excluding certain “qualified stated interest” that is unconditionally payable at least annually at prescribed rates) is amortizable bond premium, which is not deductible from gross income for federal income tax purposes. Amortizable bond premium, as it amortizes, will reduce the owner’s tax cost of the Premium Bonds used to determine, for federal income tax purposes, the amount of gain or loss upon the sale, redemption at maturity or other disposition of the Premium Bonds. Accordingly, an owner of a Premium Bond may have taxable gain from the disposition of the Premium Bond, even though the Premium Bond is sold, or disposed of, for a price equal to the owner’s original cost of acquiring the Premium Bond. Bond premium amortizes over the term of the Premium Bonds under the “constant yield method” described in regulations interpreting Section 1272 of the Code.

Prospective purchasers of the Premium Bonds should consult their tax advisors with respect to the calculation of the amount of bond premium which will be treated for federal income tax purposes as having amortized for any taxable year (or portion thereof) of the owner and with respect to other federal, state and local tax in connection with the acquisition, ownership, amortization of bond premium on, sale, exchange, or other disposition of Premium Bonds .

### **Additional Federal Income Tax Consequences**

Prospective purchasers of the Bonds should be aware that ownership of, accrual or receipt of interest on or disposition of tax-exempt obligations, such as the Bonds, may have additional federal income tax consequences for certain taxpayers, including, without limitation, taxpayers eligible for the earned income credit, recipients of certain Social Security and certain Railroad Retirement benefits, taxpayers that may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, financial institutions, property and casualty insurance companies, foreign corporations and certain S corporations. Prospective purchasers of the Bonds should consult their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

The Internal Revenue Service (the “IRS”) has an ongoing program of auditing state and local government obligations, which may include randomly selecting bond issues for audit, to determine whether interest paid to the holders is properly excludable from gross income for federal income tax purposes. It cannot be predicted whether the Bonds will be audited. If an audit is commenced, under current IRS procedures holders of the Bonds may not be permitted to participate in the audit process and the value and liquidity of the Bonds may be adversely affected.

### **Changes in Federal Tax Law**

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the federal or state level, may adversely affect the tax-exempt status of interest on the Bonds under federal or state law or otherwise prevent beneficial owners of the Bonds from realizing the full current benefit of the tax exempt status of such interest. In addition, such legislation or actions (whether currently proposed, proposed in the future, or enacted) and such decisions could affect the market price or marketability of the Bonds. Prospective purchasers of the Bonds should consult their tax and financial advisors regarding such matters.

### **Opinions of Bond Counsel**

The legal opinions of Bond Counsel will be furnished to the original purchaser of the Bonds. The opinions will be dated and given on and will speak only as of the date of original delivery of the Bonds to the original purchaser of the Bonds. See APPENDIX B herein.

## **Extent of Opinion**

Bond Counsel expresses no opinion regarding any tax consequences of holding the Bonds other than its opinion with regard to (a) the exclusion of interest on the Bonds from gross income pursuant to Section 103 of the Code, (b) interest on the Bonds not constituting an item of tax preference pursuant to Section 57 of the Code and (c) the exemption of interest on the Bonds from taxation within the State pursuant to Title 30-A, Section 5772(9) of the Maine Revised Statutes, as amended. Prospective purchasers of the Bonds should consult their tax advisors with respect to all other tax consequences (including but not limited to those described above) of holding the Bonds.

## **BOOK-ENTRY-ONLY SYSTEM**

The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the Bonds. The Bonds will be issued in fully-registered form registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One-fully registered certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and each such certificate will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated securities. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of securities deposited with DTC must be made by or through Direct Participants, which will receive a credit for such securities on DTC’s records. The ownership interest of each actual purchaser of each security deposited with DTC (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in securities deposited with DTC are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in securities deposited with DTC, except in the event that use of the book-entry system for such securities is discontinued.

To facilitate subsequent transfers, all securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the securities deposited with it; DTC's records reflect only the identity of the Direct Participants to whose accounts such securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of a maturity is being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to securities deposited with it unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the issuer of such securities or its paying agent as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on securities deposited with DTC will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the issuer of such securities or its paying agent, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC (nor its nominee), the issuer of such securities or its paying agent, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the issuer of such securities or its paying agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to securities held by it at any time by giving reasonable notice to the issuer of such securities or its paying agent. Under such circumstances, in the event that a successor depository is not obtained, physical certificates are required to be printed and delivered to Beneficial Owners.

The Town may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, physical certificates will be printed and delivered to Beneficial Owners. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Town believes to be reliable, but the Town takes no responsibility for the accuracy thereof.

## RATINGS

The Bonds are rated “\_\_” by Moody’s Investors Service (“Moody’s”) and “\_\_” by S&P Global Ratings (“S&P”). The Town has furnished the rating agencies certain information and materials, some of which may not have been included in this Official Statement. The ratings, if obtained, will reflect only the view of Moody’s or S&P at the time such rating is assigned and will be subject to revision or withdrawal, which could affect the market price of the Bonds. Moody’s or S&P should be contacted directly for its rating on the Bonds and its explanation of such rating. A rating is not a recommendation to buy, sell or hold the Bonds, and such rating should be evaluated independently.

Except as set forth in the Continuing Disclosure Agreement set forth in APPENDIX C and referred to under “THE BONDS – CONTINUING DISCLOSURE” herein, the Town has not undertaken any responsibility either to bring to the attention of the owners of the Bonds any proposed change in, or withdrawal of, any rating of the Bonds or to oppose any such change or withdrawal.

## CONTINUING DISCLOSURE

In order to assist the underwriter of the Bonds in complying with the Securities and Exchange Commission’s (“SEC”) Rule 15c2-12 (the “Rule”), the Town will covenant for the benefit of the owners of the Bonds to provide certain financial information and operating data relating to the Rule by not later than 270 days after the end of each fiscal year (the “Annual Report”) and to provide notices of the occurrence of certain enumerated events, if material. Pursuant to the Rule, such filings will be made with the Municipal Securities Rulemaking Board (“MSRB”) through its Electronic Municipal Market Access System (“EMMA”). The covenants will be contained in a “Continuing Disclosure Agreement” (the “Agreement”), the proposed form of which is provided in APPENDIX C. The Agreement will be executed by the Treasurer of the Town, and incorporated by reference in the Bonds. Except for a late filing in 2004 (see below), the Town has never failed to comply in all material respects with any previous undertakings to provide financial information or notices of material events in accordance with the Rule. In the most recent five years the Town has not failed to comply with the Rule, as follows:

<b>FY ended June 30,</b>	<b><u>Date Filed<sup>(1)</sup></u></b>		<b>Days after Fiscal Period end</b>
	<b><u>Financial Statements</u></b>	<b><u>Operating Data</u></b>	
2019	December 3, 2019	January __, 2020	156/___
2018	December 31, 2018	March 19, 2019	184/262
2017	December 27, 2017	December 27, 2017	180/180
2016	January 24, 2017	March 24, 2017	208/267
2015	December 23, 2015	December 23, 2015	176/176
2014	March 26, 2015	March 26, 2015	269/269

NOTE: <sup>(1)</sup> In prior years the Town has filed a comprehensive Continuing Disclosure Statement that included both annual financial information and operating data. In anticipation of the financing of the Town’s 2017 Bonds, dated March 15, 2017, the Town filed its financial statements separately from its annual operating data, which was filed following the closing of the 2017 Bonds. As the date of the sale of the Bonds, in anticipation of the financing of its 2020 Bonds, the Town has only filed its financial statements. Following the financing of the 2020 Bonds, the final Official Statement for the 2020 Bonds will be submitted to EMMA prior to 270 days following the fiscal year end as its *Financial Statements and Operating Data* filing.

## **Assurances of Future Compliance**

The Town adopted a post-issuance compliance policy on July 29, 2013 that, among other things, provides for timely filings with EMMA or its successor repository, if any, with respect to its existing and future continuing disclosure undertakings. Furthermore, the Town has registered with the EMMA reminder system to receive e-mail reminders to help ensure timely annual filing of required financial and operating data.

## **CUSIP IDENTIFICATION NUMBERS**

It is anticipated that CUSIP (an acronym that refers to Committee on Uniform Security Identification Procedures) identification numbers will be printed on the Bonds. All expenses in relation to the printing of CUSIP numbers on the Bonds will be paid for by the Town provided, however, that the Town assumes no responsibility for any CUSIP Service Bureau charge or other charge that may be imposed for the assignment of such numbers.

## **MUNICIPAL ADVISOR**

Moors & Cabot, Inc. is a Municipal Advisor registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board and has acted as Municipal Advisor to the Town with respect to the issuance of the Bonds pursuant to MSRB Rule G-23. Moors & Cabot, Inc. does not intend to submit its bid on, or participate in an underwriting syndicate for the public distribution of, the Bonds.

## **STATUTORY REFERENCES**

All quotations from and summaries and explanations of laws herein do not purport to be complete, and reference is made to said laws for full and complete statements of their provisions.

## **CONDITIONS PRECEDENT TO DELIVERY**

The following, among other things, are conditions precedent to the delivery of the Bonds to the original purchasers thereof.

### **No Litigation**

Upon delivery of the Bonds, the Town shall deliver or cause to be delivered a certificate of the Treasurer, and attested to by the Town Clerk, dated the date of delivery of the Bonds, to the effect that there is no litigation pending or, to the knowledge of such official, threatened, affecting the validity of the Bonds or the power of the Town to levy and collect taxes to pay them, and that neither the corporate existence nor boundaries of the Town, nor the title of any of said officers to their respective offices, is being contested.

### **Approval of Legality**

The legality of the Bonds will be approved by Bernstein Shur Sawyer & Nelson, Bond Counsel. The approving opinion of such counsel with respect to the Bonds in substantially the form attached to this Official Statement as APPENDIX B will be delivered at the time of original delivery of the Bonds and a copy of the opinion will be provided to the original purchasers. Bond Counsel are not passing upon, and do not assume responsibility for, the accuracy or adequacy of the statements made in this Official Statement (other than matters expressly set forth as their opinion) and make no representations that they have independently verified the same. See also "PROPOSED FORM OF LEGAL OPINION" in APPENDIX B herein.



### **Certification of the Bonds**

The Bonds will be certified as to their genuineness by U.S. Bank National Association, Boston, Massachusetts, which certificate will appear on the Bonds.

### **Certificate With Respect to Official Statement**

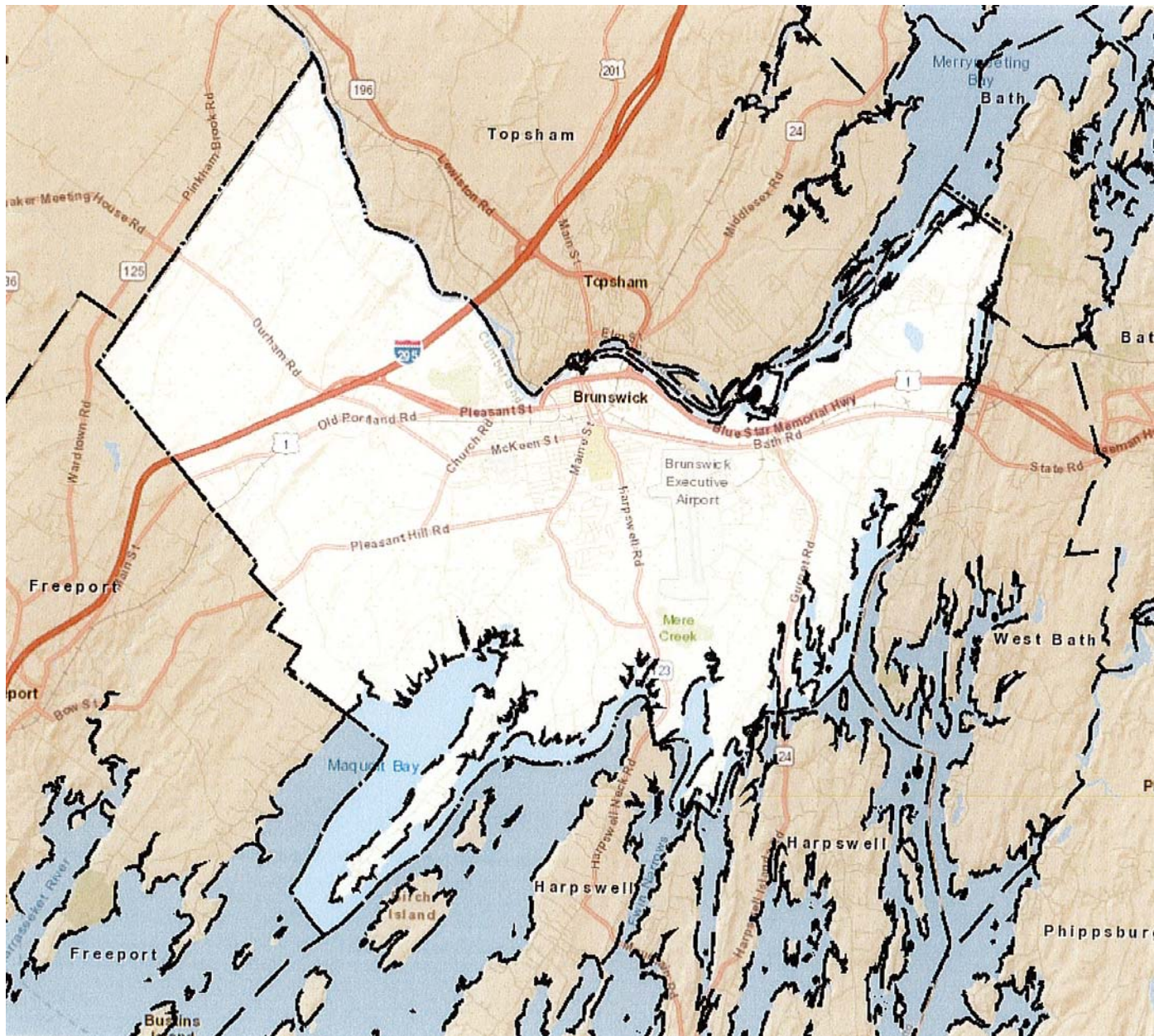
At the time of the original delivery of, and payment for, the Bonds, the Town will deliver a certificate of the Treasurer to the effect that she has examined this Official Statement and the financial and other data contained therein and that, to the best of her knowledge and belief, both as of its date and as of the date of delivery of the Bonds, the Official Statement does not contain any untrue statement of a material fact and does not omit to state any material fact necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading, subject to the condition that while information in the Official Statement obtained from sources other than the Town is not guaranteed as to accuracy, completeness or fairness, she has no reason to believe that such information is materially inaccurate or misleading.

### **Certificate With Respect to Debt Limits**

At the time of the original delivery of and payment for the Bonds, the Town will deliver a certificate of the Treasurer of the Town which certifies that the Town has not exceeded its debt limitations and that issuance of the Bonds will not cause the Town to exceed the debt limit.

### **Certificate With Respect to Shared Valuation**

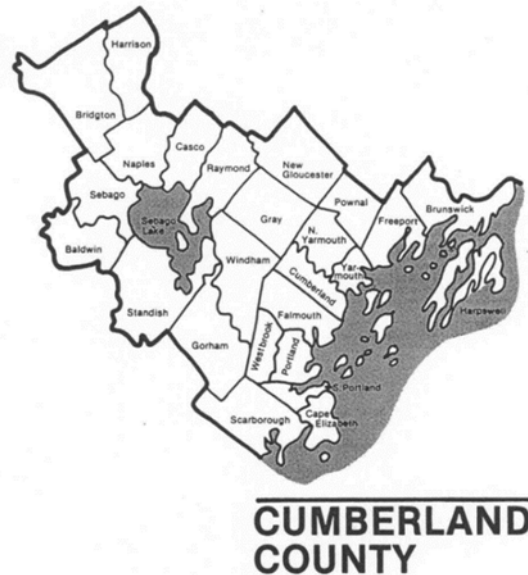
At the time of the original delivery of and payment for the Bonds, the Town will deliver a certificate of the Treasurer of the Town which certifies that no agreements under Title 30-A, Chapter 223, Subchapter V of the Maine Revised Statutes, as amended, to share its assessed valuation with another municipality, now exist.



## TOWN OF BRUNSWICK

### GENERAL

Brunswick is located on the coast of the State of Maine in the northeastern section of the county of Cumberland, the State's most populous county. The Androscoggin River separates Brunswick from the town of Topsham, forming Brunswick's northern border. The city of Bath and the town of West Bath are each contiguous to Brunswick's east. The towns of Harpswell and Freeport form Brunswick's southeastern and southwestern border, respectively. Brunswick also encompasses and is bordered by various bays that flow directly into the Atlantic Ocean. The town of Durham borders Brunswick on its northwest perimeter. The Town is strategically located between Maine's major population centers being 25 miles northeast of Portland, Maine's largest city, 18 miles southeast of Lewiston - Auburn, 30 miles south of the city of Augusta, the State's capital, and eight miles west of the city of Bath. Convenient access to Brunswick is provided by U.S. Interstate Route 295 that diagonally bisects the Town's northwestern plain and by U.S. Route 1 that flows through the center of Brunswick and then through its northeastern border in a west-east direction.



The area that encompasses the town was first settled by Europeans in 1628 as Pejepscot, named for the Pejepscot Indians of the Anasagunticook tribe. On September 14, 1715, the proprietors of the Pejepscot Company voted to lay out a township. On May 3, 1717, the township was approved by the General Court of Massachusetts and named in honor of the House of Brunswick to which family the King of England belonged. Brunswick became incorporated as a town on February 6, 1739. The first dam across the Androscoggin River, highly important in Brunswick's industrial growth, was built in 1753, and has been replaced many times since then. Blessed with water on three of its sides, the Androscoggin River, the New Meadows River and the Atlantic Ocean, Brunswick developed simultaneously as a mill town, a lumbering and shipbuilding center, and as a sea-going port.

Today, Brunswick is an industrial, commercial and cultural center for a large spread of coastal villages and resort regions in its area. Bowdoin College is located in the town, as is Mid Coast – Parkview Health, with a June 2015 consolidation of Mid Coast Hospital and Parkview Hospital. Brunswick Landing and Brunswick Executive Airport (both at the former Brunswick Naval Air Station which was closed in 2011 as part of a Base Realignment and Closure) are home to a growing number of businesses and manufacturing facilities including Wayfair and Molnlycke, as well as a campus of Southern Maine Community College and TechPlace, a business incubator. Bath Iron Works, and L.L. Bean, one of the nation's most successful mail-order enterprises headquartered in Freeport, all have facilities in Brunswick.

Brunswick is a suburban-urban coastal community with highly developed shorefront areas. According to the 2010 Census, the Town's residents live in predominantly single-family dwellings of which 68% are owner occupied. The land area of the Town is comprised of residential, mixed use, commercial, industrial, college use, coastal protection, medical overlay and resource protection zones, open space, coastal and woodland areas with a total area embracing approximately 49.73 square miles.

## **GOVERNMENT**

There are two basic forms of local government in Maine: the “Direct” form, often referred to as town meeting government, in which the town meeting serves as the legislative body, passing laws, approving the spending of monies; and the “Representational” form, in which an elected council serves as the legislative body.

The Town operates under a charter that initially became effective January 2, 1970, as amended and supplemented, most recently in November 2005, effective January 1, 2006 (the “Charter”), providing for a council-manager form of government with a nine-member Town Council, each serving three-year staggered terms. Seven council members are elected by district and two are elected at-large. The Charter grants to the Town Council all powers to enact, amend, or repeal rules, ordinances and resolutions relating to the Town’s property, affairs and government, to preserve the public peace, health and safety, to establish personnel policies and give effect to any vote of the Town and to authorize the issuance of debt. The Town Manager is the chief administrative officer of the Town.

## **MUNICIPAL SERVICES**

The Town provides general governmental services for the territory within its boundaries, including police and fire protection, highways, streets and sidewalks, parks and recreation, and coastal areas. Public education is provided for grades Kindergarten (“K”) through 12. Beginning with the 2020-21 school year, the Town will also provide pre-K education for 4-year-old students.

Water service is provided by the Brunswick & Topsham Water District, a wholly separate quasi-municipal entity whose operation and obligations are not part of the Town. Sewer service is provided by the Brunswick Sewer District, a wholly separate quasi-municipal entity whose operation and obligations are not part of the Town.

### **General Government and Administrative Services**

General government and administrative services are located at 85 Union Street. Offices in the Town Hall building include the Town Manager’s office, the Assessing, Clerks, Economic Development, Finance/Tax, Human Resources, Human Services, IT & Cable TV and Planning & Codes Departments and the Town Engineer’s office. Centrally located, the Town Hall also serves as a meeting facility, housing the Town Council Chambers and other conference rooms for Town boards and committees. As part of the Town’s building acquisition agreement in 2014, Bowdoin continues to occupy the top floor of the building for up to ten years.

### **Public Safety**

The Police Department is staffed by a Police Chief, two Commanders, four Lieutenants, one Detective Sergeant, three patrol Sergeants, and 19 Patrol Officers. The roster also includes three Detectives, two School Resource Officers, a Marine Patrol Officer, an Animal Control Officer, a Parking Enforcement Officer, ten Communications Officers and a Communications Officer Supervisor. There is an Executive Secretary, one Bookkeeper, two part-time custodians, and two School Crossing Guards. New to the Police Department in 2018 is a Dutch Shepherd K-9 unit, Jack. Beginning in 2019, Brunswick entered into a one-year agreement with the Town of Freeport to share the services of the Animal Control Officer for a pro-rated share of that employee’s wages. Brunswick is a designated public safety answering point (“PSAP”), meaning that 911 calls from Brunswick and certain surrounding communities are directed to the Brunswick dispatch center. Under a five-year agreement reached in July, 2016, Brunswick provides emergency services dispatch and communications for the Town of Freeport.

The Department maintains 20 vehicles, an airboat, a 20 ft. fiberglass boat with outboard, one equipment trailer and one electronic sign board, all of which are in good repair. The Police Department is currently headquartered at 85 Pleasant St in a building constructed in 2013. The police station building project was funded with the issuance of bonds on June 27, 2013. See “INDEBTEDNESS – DEBT SUMMARY” herein.

The Fire Department is staffed by a Fire Chief, two Deputy Chiefs, four Captains, four Lieutenants, 28 Firefighters, an Inspector, and one Administrative Assistant. The captains, lieutenants and firefighters also serve as Emergency Medical Technicians and Paramedics for the Department’s rescue services. The Fire Department is currently housed in two fire stations, with one station located in downtown Brunswick, Central Station, and a second, Emerson Station, located in the Cook’s Corner area. The Department maintains one aerial platform truck, three pumper vehicles, one tank truck, two brush trucks, four ambulance/rescue units, a special operations unit for Haz Mat, confined space and high angle rescue, two utility pickup trucks, three command SUVs, and one boat.

The Fire Department’s Central Station is 100 years old, and studies in 2000 and 2002 identified numerous deficiencies in the structure and functionality of the facility. In 2006 the Town acquired land near Central Station to accommodate the option for a major renovation and expansion of the station. More recently, significant repair requirements brought the building issues to the forefront once again, and based on changes in traffic flow downtown, the Town recognized the need to consider other locations for a central station. In 2017 the Town Council established a Fire Station Task Force composed of citizens, Councilors and staff, and appropriated \$100,000 to fund programming analysis, site investigations and preliminary building design. Based upon the work of the Task Force, on April 1, 2019, the Town Council adopted “An Ordinance Authorizing The Purchase of Property For And Construction Of A New Central Fire Station With Total Project Costs Of Up To \$13,500,000, And the Issuance of Bonds of Up To \$13,500,000.” The Town is currently acquiring the property for the future fire station and is contracting with an architect/design firm for the final design, construction bidding and management. It is anticipated that construction may begin in May, 2020, with completion estimated for 2021. See “INDEBTEDNESS – FUTURE FINANCING” herein.

## **Public Works**

The Public Works Department is responsible for maintenance of the Town’s roads and storm drainage system, the operation of a secure solid waste landfill and the oversight of residential refuse collection and recycling collection. The department is staffed by one Public Works Director, one Operations Manager, two support staff, one part-time employee and 20 full-time staff. The Public Works Department maintains 42 vehicles and various pieces of equipment. The Town Engineer and Assistant Town Engineer, formerly part of the Public Works Department, now have offices in Town Hall under the supervision of the Town Manager, where the engineers interface with several municipal departments in addition to Public Works.

The Town operates a solid waste landfill. In 2004, the Town created an enterprise fund to record the activities of its solid waste landfills. Operations at the Town’s wood and masonry landfill were discontinued in 2005 and the Town has closed that facility in accordance with applicable laws and regulations. In January 2007, the Town initiated pay-by-the-bag and single sort recycling programs, both with intent of extending the useful life of the solid waste landfill. The Town has hoped to fund eventual closure and post-closure costs from tipping fees and net proceeds from the pay-by-the-bag program. Within the past two years, the Town learned from the Maine Department of Environmental Protection (“DEP”), that due to groundwater conditions, landfill closure costs are eligible for state cost-sharing through the Landfill Closure and Remediation Program, though reimbursement from program funds is based on availability. Currently the Town is actively pursuing a plan for closure in spring/summer 2021, including accepting additional waste to fill the remaining capacity and to bring in additional revenues. At June 30, 2019, the Town had filled 91.2% of the landfill capacity, and is on schedule for closure beginning in April 2021. Based on available reserves and projected revenues, the Town estimates that it will not be necessary to issue debt to fund the landfill closure. See “ENVIRONMENTAL MATTERS” section herein.



## **Parks and Recreation**

The Town's Department of Parks and Recreation offers a full calendar of recreational programs and maintains a number of parks as well as active and passive recreational facilities throughout the Town. The Department is staffed by a Director and Deputy Director, one Program Assistant, a Parks & Facilities Manager, a Parks Foreman, six maintenance workers, two office support staff, and a number of part-time and seasonal personnel. In November 2013, the Parks and Recreation Department moved from its downtown location to a large multi-purpose recreation facility at the former Naval Air Station ("NASB"), now called Brunswick Landing. The building was transferred to the Town from the Navy through the public conveyance process associated with the NASB closure. Also conveyed was a 591-acre parcel designated as passive recreation/conservation land, now named the Kate Furbish Preserve, and the former 66-acre Navy radio transmitter site, now called the Capt. William A. Fitzgerald Recreation and Conservation Area. The Parks division currently is responsible for 50 parks, facilities and public spaces, constituting over 1,500 acres.

## **Train Station/Visitors Center**

The Town leases approximately 2,125 square feet of space in a building located at Brunswick Station. The space serves as the Town's train station/visitors center and is managed under an agreement with the Brunswick Downtown Association ("BDA"). The Maine Department of Transportation ("MDOT") constructed a permanent station platform, located behind the train station/visitors center. The Town was not required to contribute to the construction of the platform but is responsible to maintain it at Town expense.

Following the 2010 approval of \$35 million in federal stimulus money, and \$3 million in State funds, approximately 28 miles of rail track between Brunswick and Portland were rehabilitated and Amtrak was able to extend train service to Brunswick. In November 2012 the Amtrak Downeaster train began operating from the station. In 2011, the Northern New England Rail Passenger Authority ("NNEPRA") announced its plan to construct a layover facility in Brunswick to service the Amtrak Downeaster trains. Construction on the 650 foot by 70 foot layover facility – large enough to hold three full trains – was completed late summer, 2016. The facility allows for late-night trains arriving in Brunswick to remain overnight and head south again the following morning, rather than returning to Portland overnight. Prior to construction, daily service consisted of two round trips between Brunswick and Boston. With the opening of the layover facility in November 2016, service increased to three round trips per day.

Passenger rail service between Boston and Brunswick expanded again in November of 2018 with the completion of a critical rail project south of Brunswick. The \$9.4 million construction of a secondary passing rail line in Falmouth and Cumberland enabled Amtrak's Downeaster to operate five round trips per day on its entire line.

Additionally, NNEPRA has explored the possibility of extending train service from Brunswick north to Rockland. Risk assessments of the 58 miles of track between Brunswick and Rockland are necessary before service could resume. This seasonal service would follow the route operated by Maine Eastern Railroad until the end of 2015.

The center also serves as a bus stop for both local and long distance service. Concord Coach Lines has used the station since it opened for the Brunswick stop on its Midcoast Maine route from Orono, ME to Boston and Logan Airport. In 2010 the Brunswick Explorer began providing local bus service throughout Brunswick. In August 2017, the Metro Breez extended its regional express bus service between Brunswick and Portland, with stops in Freeport and Yarmouth.

## **Curtis Memorial Library**

The Curtis Memorial Library (the “Library”) is located at 23 Pleasant Street. The original 5,400 square foot building, built with a gift from William Curtis in memory of his father Captain John Curtis, opened in 1904. A 10,600 square foot addition was added to the original building in November 1972. A major renovation and refurbishing of the 1904 building, along with a 38,000 square foot addition, were completed and opened to the public in October 1999. While the Town owns the building, the Library is managed by the Brunswick Public Library Association, a private non-profit association founded in 1883.

A 12-member Board of Directors manages the Association with a staff comprised of approximately 20 full-time equivalent personnel including nine professional librarians. At June 30, 2019, the Library’s collections included approximately 143,000 items. The Library is operated by funds generated from endowments, restricted book funds, fund raising activities and funds provided by the Towns of Brunswick and Harpswell, at their pleasure. The circulation for the year ended June 30, 2019 was 379,673 items loaned, with yearly active cardholders numbering 10,333, of which 73.5% reside in Brunswick. There were 280,593 visits to the library during the year.

## **PUBLIC EDUCATION**

### **Supervision of Educational Programs**

The Town operates an educational program for grades K through 12 under Individual Supervision. Beginning in the 2019-20 school year, one classroom of pre-K was added in a pilot program, with the intention to increase to four classrooms in 2020-21. Article IX of the Town’s Charter, provides that the Department of Education (“DOE”) for the Town be administered by a School Board comprised of nine members, each serving three-year staggered terms. Seven School Board members are elected by district and two are elected at large. The School Board performs all duties and functions related to the care and management of the public schools of the Town. The School Board prepares and submits its budget to the Town Manager, who includes it in the budget process. See also “TOWN FINANCES – BUDGETARY PROCESS” section herein. The School Department’s staff consists of a Superintendent, one Assistant Superintendent, one Director of Special Education, one Business Manager, four full-time principals, three assistant principals, the equivalent of 250 full-time teaching positions, and various other professional and non-professional staff. Brunswick’s school population is shown in the following table:

		<b>October 1, 2019</b>
<b><u>School</u></b>	<b><u>Grade</u></b>	<b><u>Population<sup>(1)</sup></u></b>
Coffin School <sup>(2)</sup>	K – 1	436
Harriet Beecher Stowe	2 – 5	690
Brunswick Junior High <sup>(2)</sup>	6 – 8	532
Brunswick High	9 – 12	719

SOURCE: Town of Brunswick School Department.

NOTES: <sup>(1)</sup> As of *October 1, 2019 Enrollment Reports*. This includes Brunswick residents and non-resident students attending Brunswick schools.

<sup>(2)</sup> Modular classrooms in use. The new elementary school being constructed will replace Coffin School, and serve grades Pre-K to 2. For more information on the Junior High School, see also “CAPITAL IMPROVEMENT PROGRAM” section.

The following table illustrates the ten-year enrollment trends for Brunswick's schools:

<b>October 1,</b>	<b>Brunswick Residents</b>			<b>Resident Enrollment</b>	<b>Non-Resident Enrollment</b>	<b>Total Enrollment</b>
	<b>Grades Pre-K-5</b>	<b>Grades 6-8</b>	<b>Grades 9-12</b>			
2019 <sup>(1)</sup>	1,114	528	701	2,343	72	2,415
2018	1,034	537	672	2,243	84	2,327
2017	1,059	544	676	2,279	70	2,349
2016	1,048	517	681	2,246	67	2,313
2015	1,075	685	541	2,301	35	2,336
2014	1,076	471	778	2,325	33	2,358
2013	1,038	502	813	2,353	37	2,390
2012	973	523	807	2,303	60	2,363
2011	1,029	539	845	2,413	50	2,463
2010	1,022	572	884	2,478	78	2,556

SOURCE: State of Maine, Dept of Education, "October 1 Census of Students Educated at Public Expense".

NOTE: <sup>(1)</sup> Beginning with the *October 1, 2019 Enrollment Reports*, Brunswick began offering Pre-K education services. All enrollment report figures for years before 2019 do not include amounts for Pre-K enrollments.

With the closure of Brunswick Naval Air Station, Brunswick has experienced a loss of student population. Further, with the creation of RSU 5, high school students from the Town of Durham now attend Freeport High School. At one time, nearly 200 Durham students attended Brunswick High School. The reduction in enrollment and the loss of federal and state aid, plus the loss of tuition revenue has caused the Department to adjust its budgets accordingly. However, given certain fixed costs, budget adjustments have been difficult.

In August, 2011, the Town opened the Harriet Beecher Stowe School for grades 2 through 5, replacing the former Longfellow and Jordan Acres Schools (both educating grades K through 5), and reconfigured the grades at the Coffin School (formerly grades K through 5 and now serving grades K through 1). Construction of Harriet Beecher Stowe School was funded by the issuance of \$21,462,250 in school construction bonds. The Town elected to issue these bonds through the Maine Municipal Bond Bank ("MMBB") and bonds were issued on October 28, 2010. Based on the funding approval received from the State DOE, approximately 87% of the annual net debt service cost on these bonds has been included in the State education subsidy formula. The formula is used to determine the total annual State education subsidy provided to the Brunswick. While the percentage of debt service included in the calculation is expected to remain constant throughout the twenty-year amortization of the bonds, other factors in the formula will change annually and the education subsidy formula could be changed by the Maine Legislature. See "REVENUES FROM THE STATE" for an explanation about funding of State approved school construction projects.

Over approximately six years, the School Department engaged in the development of a comprehensive facilities master plan, with the goal of identifying the facilities required to support the department's programs as well as the costs associated with constructing and operating the required facilities. The planning and certain options were included in the Capital Improvement Program (CIP) for several years.

In 2016 and 2017 the school department applied for and received eligibility certificates for twelve school repair projects under the State DOE School Revolving Renovation Fund. This qualified the Town for borrowing funds through the MMBB at zero percent interest, and with a percentage of the total "forgiven" by DOE as a grant. The School Department was able to make repairs and access improvements to the Coffin School and the Brunswick Junior High School totaling \$1,171,136. In November, 2016, responding



to the aging Junior High and Coffin Schools, the school department proposed a course of action involving major repairs to the Junior High School and construction of a new elementary school. Based on the status and timing of the of the State DOE's Major Capital School Construction program, the department believed that both projects were not likely to qualify for state participation, and proposed that the new elementary school be funded locally through the issuance of debt. The school department submitted an application to the state Major Capital School Construction program for the Junior High School in March, 2017. With the release of the DOE's program priority listing, it became clear that the BJHS could not expect state funding assistance, and attention was turned to addressing the repair needs over time. See "TOWN FINANCES – CAPITAL IMPROVEMENT PROGRAM" herein.

Beginning with the 2016-17 school year, the Brunswick School Department took over management of the REAL School program from Regional School Unit ("RSU") 14. The REAL School's name stands for "Relevant, Experiential, Authentic, Learning", and the school provides two programs. These are an alternative school program serves students who have not been successful in a traditional setting, and a special education program, which serves students who require specialized instruction and mental health treatment though their school days. Funding is through tuition from the school districts sending the students. The REAL School continued to operate in its Falmouth location for the 2016-17 school year, and moved to leased space on Brunswick Landing for the school year beginning in September 2017.

### **Maine Region 10 Technical High School**

The Town is a member of the Maine Region 10 Technical High School ("Region 10"), a school charged with delivering applied technology programs. Region 10 is established in a cooperative agreement, (the "Cooperative Agreement") by the school administrative units from the Town of Brunswick, RSU 75 (Bowdoin, Bowdoinham, Harpswell, and Topsham), and RSU 5 (Freeport, Durham, and Pownal). The Cooperative Agreement provides for a nine-member Board of Directors with four members from Brunswick; three from RSU 75; and two from RSU 5.

Each school administrative unit is responsible for its proportionate share of the Region's operating expenses, including debt repayment, which is included in the respective unit's annual assessment. Region 10 has been contemplating \$9 million in capital improvements to the existing school facility at 68 Church Rod in Brunswick. These would likely be funded with debt, and if issued, the debt service on those bonds would be shared by the member school units. More recently this plan has been put on hold as the Board of Directors is investigating the possibility of converting Region 10 into a Comprehensive High School, seeking the advantage of a four-year, all-day comprehensive high school offering academics as well as career and technical education programming for the students. Plans are being formed for a new school at the Brunswick Landing where future workers could be trained for technical, in-demand jobs.

Of the 263 students enrolled in Region 10 on October 1, 2018, 54 were residents of Brunswick. The Town is responsible for its proportionate share of Region 10's operating expenses, including debt service, which is assessed to the Town annually. See "INDEBTEDNESS – OVERLAPPING DEBT – Maine Region 10" herein.

Public Law Chapter 171, "An Act To Enable Earlier Introduction of Career and Technical Education in Maine Schools," was enacted in June, 2017 to expand career and technical education opportunities by requiring Maine schools to provide access to developmentally-appropriate career and technical education for middle school students (grades 6-8). DOE is developing a funding plan to present to the Legislature designed to ensure adequate resources for this expansion. Beginning with the 2018-19 budget, the State adopted a new state funding model for Career and Technical Education ("CTE"), and state funding for Region 10 no longer is included in the funding formulas for the member school districts. For Brunswick, this resulted in a reduction in pass-through state aid of approximately \$772,000 in 2018-19.

## EMPLOYEE RELATIONS

The Town employs approximately 600 full and part-time employees. Approximately 400 of those are employed by the School Department. The following table lists the various contracts for employees represented by a union:

<u>Union</u> <sup>(1)</sup>	<u>Covered Positions</u>	<u>Bargaining Unit</u>	<u>Date of Contract</u>	
			<u>Effective</u>	<u>Expiration</u>
Teamsters (Local #340)	19	Public Works Employees	7/01/19	6/30/22
Teamsters (Local #340)	6	Parks & Recreation	7/01/16	6/30/19
Brunswick Police Benevolent Assoc.	31	Police Officers	7/01/17	6/30/20
Brunswick Professional Firefighters.	32	Firefighters/EMS	7/01/18	6/30/21
Brunswick Emerg. Comm. Off. Assoc.	10	Police Dispatchers	7/01/17	6/30/20
AFSCME, Town departments	23	Clerical workers & other	7/01/19	6/30/22
BEA/MEA - Teachers	242	School Teachers	9/01/19	8/31/22
BEA/MEA – Educational Technicians	67	Educational Technicians	8/01/17	7/31/20
AFSCME, School department	47	Bus Drivers & Custodians	7/01/19	6/30/22

NOTES: <sup>(1)</sup> “AFSCME” indicates the American Federation of State, County and Municipal Employees, affiliated with the American Federation of Labor & Congress of Industrial Organizations (“AFL-CIO”), as separate bargaining units; “MEA” indicates the Maine Education Association of which the various components of the Brunswick Educational Association (“BEA”) are affiliated, as separate bargaining units.

## ECONOMIC CHARACTERISTICS

<u>Population</u>	<u>Year</u>	<u>Town of Brunswick</u>	<u>% Change from Prior Census</u>		
			<u>Town</u>	<u>State</u>	<u>USA</u>
	2010	20,278	(4.2)%	4.2%	9.7%
	2000	21,172	1.3	3.8	13.2
	1990	20,906	20.4	9.2	9.8
	1980	17,366	7.2	13.4	11.4
	1970	16,195	2.5	2.4	13.4
	1960	15,797			

<u>Population Characteristics</u>	<u>Town of Brunswick</u>	<u>Cumberland County</u>	<u>State of Maine</u>	<u>USA</u>
Median age (years)	41.4	41.0	42.7	37.2
% Under 5 years	4.9%	5.2%	5.2%	6.5%
% 5-19 years	19.3%	18.5%	18.1%	20.4%
% 20-64 years	57.5%	62.0%	60.7%	60.0%
% 65 years and over	18.1%	14.2%	15.9%	13.1%
Avg. household size	2.19	2.32	2.32	2.58
<u>Housing</u>				
Total housing units	9,599	138,657	721,830	131,704,730
Occupied housing units	8,469	117,339	557,219	116,716,292
% Occupied housing units	88.2%	84.6%	77.2%	88.6%
Owner-occupied housing units	5,735	78,545	397,417	75,986,074
% Owner-occupied	67.7%	66.9%	71.3%	65.1%
Avg. household size owner-occupied	2.32	2.49	2.43	2.65
<u>Income</u>				
Median household income	\$50,117	\$55,658	\$46,933	\$51,914
Median family income	\$72,755	\$71,335	\$58,185	\$62,982
Per capita income	\$27,453	\$31,041	\$25,385	\$27,334
% Below poverty level (individuals)	11.0%	10.5%	12.6%	13.8%

SOURCE: 2010 Census; U.S. Department of Commerce, Bureau of the Census.

## Building Permits

<b>Fiscal Yr. End</b> <b>June 30,</b>	<b>Residential</b>		<b>Commercial &amp; Industrial</b>	
	<b># Permits</b>	<b>Est. Cost Const.</b>	<b># Permits</b>	<b>Est. Cost Const.</b>
2019	344	\$25,699,942	49	\$85,219,400 <sup>(1)</sup>
2018	351	20,874,350	73	21,895,845 <sup>(2)</sup>
2017	310	17,715,313	70	28,725,779 <sup>(3)</sup>
2016	288	12,191,609	51	18,578,907 <sup>(4)</sup>
2015	265	10,485,364	59	22,441,015 <sup>(5)</sup>
2014	291	16,370,912	59	20,672,370 <sup>(6)</sup>
2013	247	12,938,533	54	9,918,226 <sup>(7)</sup>
2012	247	11,345,444	55	17,227,286 <sup>(8)</sup>
2011	258	7,683,897	34	10,128,789 <sup>(9)</sup>
2010	291	12,784,450	39	25,538,418 <sup>(10)</sup>

NOTES: Estimated construction costs are included for both taxable and tax-exempt properties.

<sup>(1)</sup> Includes \$24,850,000 for Bowdoin College's Harpswell Apartments which includes three residence halls, \$20,000,000 for the construction of the Kate Furbish elementary school, \$16,127,000 for construction of Bowdoin College's Park Row Apartments comprised of four residence halls, \$7,500,000 for expansion of waste to the Village Green energy plant, and \$4,200,000 for a 7,000 square foot addition to Mid Coast Senior Health.

<sup>(2)</sup> Includes \$3,750,000 for construction of the Roman Catholic Bishop of Portland's All Saints multi-purpose facility, \$3,700,000 for construction of Bath Iron Works' replacement blast & paint facility, \$2,500,000 for a 79,970 square foot ground-mounted solar array constructed by MRRA, \$1,549,768 for an office & maintenance structure at SaviLinx, \$1,160,000 for construction of the Center for Diagnostic Imaging, and \$1,100,000 for a new Cumberland Farms facility in Cooks Corner.

<sup>(3)</sup> Includes \$12,900,000 for construction of Bowdoin College's Roux Center for the Environment, \$2,200,000 for the Rusty Lantern Irving Station, \$2,200,000 for construction of two apartment buildings, and \$1,220,000 for office renovations to Nature Conservancy.

<sup>(4)</sup> Includes \$8,168,011 for a 60-unit senior housing facility, \$1,350,000 for a snow removal equipment building, both at Brunswick Landing, and \$1,200,000 for renovations to a retail unit in Merrymeeting Plaza.

<sup>(5)</sup> Includes \$4,225,000 for construction of CEI headquarters, \$6,250,000 for an anaerobic digester at Brunswick Landing, and \$2,500,000 for two 4,950 square foot maintenance garages for Brunswick Sewer District.

<sup>(6)</sup> Includes \$6,000,000 for commercial development at Brunswick Landing, \$2,500,000 for an administration building for Bowdoin College, \$1,800,000 for a church on Middle Street, \$1,306,000 for a solar array for Bowdoin College and \$1,100,000 for a retail building at Cooks Corner.

<sup>(7)</sup> Includes \$4,800,000 for the Police Station, \$1,992,441 for renovation of the former Longfellow School by Bowdoin College and \$1,200,000 for a manufacturing facility at Brunswick Landing.

<sup>(8)</sup> Includes \$12,000,000 for construction of a manufacturing facility at Brunswick Landing.

<sup>(9)</sup> Includes \$9,622,529 for construction of an inn and \$2,272,200 for a medical office building.

<sup>(10)</sup> Includes \$14,000,000 for construction of an elementary school and \$6,000,000 for a nursing home.

## Retail Sales

The Town is a center for retail, wholesale, distribution, transportation, banking, legal, medical, recreational, and other major services for its own base market, plus an area of the State encompassing Sagadahoc, Lincoln, southern Androscoggin and northeastern Cumberland counties. The following table displays the growth in certain sectors of the Town's economy, as measured by retail sales, by product group and by consumer sales:

### Retail Sales by Product Group and Consumer Sales (000)

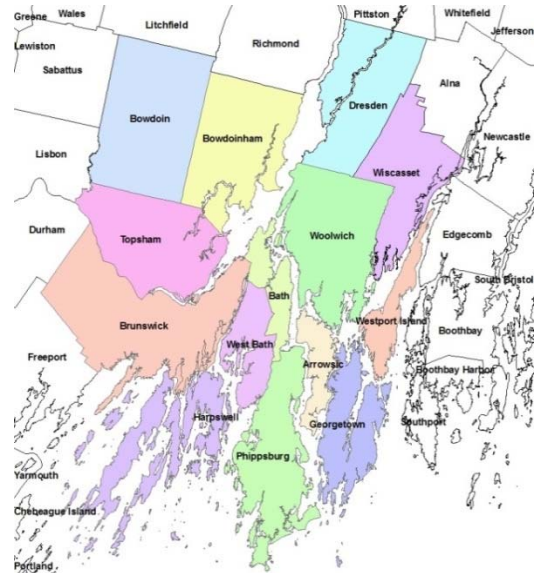
<u>Year</u>	<u>Personal Consumption</u>						<u>Business/</u> <u>Operating</u>	<u>Personal &amp;</u> <u>Business</u>
	<u>Building</u> <u>Supply</u>	<u>Food Stores/</u> <u>Gen. Mdse.</u>	<u>Other</u> <u>Retail</u>	<u>Auto/</u> <u>Transp.</u>	<u>Restaurant/</u> <u>Lodging</u>	<u>Personal</u> <u>Consumption</u>		
2018	\$95,948	\$133,619	\$30,035	\$84,082	\$66,181	\$409,865	\$19,699	\$429,564
2017	89,343	136,669	29,443	85,297	65,293	406,045	17,691	423,736
2016	83,931	133,647	27,620	79,409	64,412	389,019	17,867	406,886
2015	74,868	116,212	25,510	77,064	60,195	353,849	16,971	370,820
2014	71,350	115,568	26,383	68,584	57,660	339,545	18,173	357,718
2013	66,784	115,075	26,638	65,575	55,658	329,730	17,564	347,294
2012	60,363	115,665	26,930	56,531	52,710	312,199	15,853	328,052
2011	65,998	114,600	28,832	51,997	50,522	311,949	13,782	325,731
2010	65,269	116,748	29,566	46,321	47,763	305,667	16,104	321,771
2009	64,574	118,416	30,184	50,220	48,055	311,449	14,631	326,080

SOURCE: State of Maine, Department of Taxation, Sales Tax Section.

## Brunswick Labor Market Area

Starting with January 2005 data, total employment and unemployment estimates developed by the Maine Department of Labor, Labor Market Information Services, are based on redefined labor market areas ("LMA") in Maine. Labor market areas are the basic substate geographic area used to develop employment and unemployment estimates. The Metropolitan and Micropolitan Areas defined by the Office of Management and Budget are the major labor market areas. The smaller labor market areas are defined independently by the U. S. Department of Labor, Bureau of Labor Statistics.

The Brunswick LMA includes Brunswick, Harpswell, Dresden, Westport, Wiscasset, Arrowsic, Bath, Bowdoin, Bowdoinham, Georgetown, Phippsburg, Topsham, West Bath, and Woolwich.



## Unemployment

<u>Calendar Year</u>	<u>Town of Brunswick</u>	<u>Cumberland County</u>	<u>State of Maine</u>	<u>USA</u>
2018	2.8%	2.7%	3.4%	3.9%
2017	2.7	2.5	3.3	4.4
2016	3.0	2.9	3.8	4.9
2015	3.5	3.4	4.4	5.3
2014	4.9	4.4	5.6	6.2
2013	6.0	5.4	6.8	7.4
2012	6.9	5.8	7.3	8.1
2011	6.7	6.0	7.5	8.9
2010	6.8	6.3	7.9	9.6
2009	7.0	6.5	8.0	9.3

SOURCE: State of Maine, Department of Labor, Division of Economic Analysis and Research

## EMPLOYMENT AND EMPLOYERS

### Commuter Patterns

The following table displays the residential component of the Town's workforce, the respective component of its workers as a percentage of their local (i.e., home) workforce; and the geographic place of employment for the Town's residents:

<u>Work in Brunswick, but live in:</u>	<u>Number of Workers</u>	<u>% Town's Workforce</u>	<u>Live in Brunswick, but work in:</u>	<u>Number of Workers</u>	<u>% Town's Workers</u>
Brunswick	5,553	36.22%	Brunswick	5,553	54.94%
Topsham	1,157	7.55	Topsham	652	6.45
Bath	1,126	7.34	Bath	636	6.29
Lisbon	755	4.92	Portland	569	5.63
Harpowell	596	3.89	Freeport	547	5.41
Bowdoinham	460	3.00	Augusta	200	1.98
Woolwich	353	2.30	South Portland	158	1.56
Bowdoin	348	2.27	Yarmouth	141	1.39
Wiscasset	339	2.21	Lewiston	134	1.33
Portland	309	2.02	Lisbon	121	1.20
Durham	296	1.93	Falmouth	121	1.20
Freeport	256	1.67	Scarborough	101	1.00
Lewiston	253	1.65	Wiscasset	75	0.74
All Other	<u>3,530</u>	<u>23.03</u>	All Other	<u>1,100</u>	<u>10.88</u>
	<u>15,331</u>	<u>100.00%</u>		<u>10,108</u>	<u>100.00%</u>

SOURCE: State of Maine, Department of Labor, Labor Market Information Services; U.S. Department of Commerce, Bureau of Census, 2010 Census.

The following table displays the ten largest employers in the Town of Brunswick:

<b>Representative Employers</b>		<b>Approximate Average # of Employees</b>
<b><u>Name</u></b>	<b><u>Business</u></b>	
Bath Iron Works	Ship Building	1,300
Mid Coast-Parkview Health	Hospital, Health Care, Retire.	1,060
Bowdoin College	College	961
Town of Brunswick	Municipality	578
Wayfair	Online Retail	529
LL Bean Inc., Mfg. Div.	Outdoor Equip/Sporting Goods	342
Wal-Mart Stores, Inc.	Retail	270
Hannaford Bros.	Groceries/Pharmacy	160
Savilinx	Business Process & Marketing	140
Pathways (formerly Providence Service Corp)	Social Services	128

SOURCE: Survey of Employers and/or Review of Employer Websites. The employee counts were determined by the employers and do not represent full-time equivalents (FTEs) in all cases.

### **Bath Iron Works**

Bath Iron Works (“BIW”) was founded on the banks of the Kennebec River in Bath, Maine in 1884. Founder, Thomas W. Hyde, leased a small iron foundry on the site of the current day shipyard. When Hyde took over the business, he patented a revolutionary windlass known as the Hyde Windlass. On November 28, 1884, Hyde incorporated Bath Iron Works, Ltd. In 1890, a passenger steamer for the Maine Steamship Co., Cottage City, was the first ship launched from the facility. Later, in 1893, BIW delivered Machias, its first US Navy vessel. It was also the first steel-hulled ship built in Maine. Since that time, BIW has designed and constructed more than 200 surface combatants for the United States Navy (“US Navy”).

BIW is owned by General Dynamics, headquartered in Reston, Virginia (NYSE: GD). It is part of part of General Dynamics’ Marine Systems Group business. BIW is one of the largest private employers in the State of Maine with approximately 6,700 employees in the state. There are two principal manufacturing facilities: (1) the main shipyard plant in Bath and (2) the Structural Fabrication Facility and the Outfit Fabrication Facility/Consolidated Warehouse in Brunswick. Additionally, BIW has a facility in Brunswick for design and for fleet support. Approximately 5,000 employees work at the Bath facility; approximately 1,300 are employed across the Brunswick facilities.

BIW is heavily dependent on contracts to build surface combatants for the US Navy. In 1985 the US Navy awarded to BIW the Lead Ship Design and Construction contract for the Arleigh Burke (“DDG 51”) class, and 34 ships were delivered under that program, the last being the USS Michael Murphy (DDG-112) in 2012. In 2011, the Navy restarted procurement in the Arleigh Burke program. BIW and a competitor are each building ships in the restarted program. BIW delivered the first two of these ships to the Navy in 2017 and 2018, and has five ships in production. In the fall of 2018 the Navy awarded BIW a \$3.9 billion contract to build four additional ships. In December 2018 BIW was awarded the contract for a fifth ship. As the lead designer of the DDG 51 class, BIW is considered the “planning yard” as the ships already delivered to the Navy are upgraded and modernized. Currently supporting 67 Arleigh Burke-class ships, BIW was recently awarded a modernization contract extension, as well as continuation of its Lead Yard Services and design upgrade contract.

The Zumwalt (“DDG 1000”) class had been planned as the US Navy’s next generation surface combatant. Originally, a competitor was designated as the lead designer and builder of the DDG 1000, with that

competitor and BIW each building one of the first two ships in this class. Cost has always been a concern regarding the DDG 1000 and the Navy decided to limit production to three ships, assigning responsibility for the design and construction of the DDG 1000 to BIW. In October 2016, the USS Zumwalt (DDG 1000), the first of the class was commissioned, and in January 2019, the USS Michael Monsoor (DDG 1001) was commissioned. The remaining ship of the DDG 1000 class, the USS Lyndon B. Johnson (DDG 1002), is currently under construction at BIW. In December, 2018, BIW was awarded an \$85 million Planning Yard Services contract for the DDG 1000 class ships. BIW currently also has the maintenance and modernization contract for the class, which is handled out of the Brunswick design/support facility.

The US Navy's procurement plans are always subject to change and any changes could affect employment levels at BIW. BIW continues to look for opportunities to diversify its work beyond Navy contracts.

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SOURCE: Bath Iron Works. While the Town believes these sources to be reliable, the Town has not made any independent evaluation as to the accuracy or completeness of the above information.

### **Mid Coast-Parkview Health Services**

Mid Coast-Parkview Health Services is a community, non-profit, health care organization providing a continuum of care through its affiliated organizations. Mid Coast-Parkview Health Services' greater Bath-Brunswick-Topsham service area includes more than 80,000 residents. Mid Coast-Parkview Health Services is the second largest employer in Brunswick and the third largest employer in the region with more than 2,000 employees in total.

Mid Coast-Parkview Health Services affiliates include:

- **Mid Coast Hospital**, built on 155 acres with room for additional medical facilities on the campus, the hospital has an active medical staff of more than 200 physicians and advanced practice professionals, and is licensed for 93 inpatient beds.
- **Mid Coast Medical Group**, community-based healthcare comprised of primary care and specialty care physicians located in Bath, Topsham and Brunswick.
- **Mid Coast Senior Health Center**, including Mere Point Skilled Nursing, Bodwell Subacute Nursing and Rehabilitation, Thornton Hall Assisted Living, *The Garden* Memory Impairment Unit, and *Lifeline* Personal Response System.
- **CHANS Home Health Care**, recognized as the community leader in home health care and hospice, which has provided licensed non-profit nursing services to Midcoast area residents since 1947. CHANS also offers private duty care.
- **Thornton Oaks Retirement Community**, a community of 46 private homes and 98 apartments, nestled in 29 wooded acres in Brunswick.

The new Mid Coast Hospital opened in Brunswick in 2001. A medical office building adjoins the hospital. Construction costs on both projects totaled \$46 million. The hospital opened with a complete diagnostics suite including State-of-the-art MRI, CT, ultrasound, mammography, bone densitometry, x-ray, and angiography cardiac catheterization. The hospital is part of the Maine Heart Center network. A mobile PET Scan is available at the hospital several times each month. Diagnostics services are accredited by the American College of Radiology. The hospital offers a full range of care including in- and outpatient surgery, cardiac and pulmonary rehabilitation, sleep lab, and wound care center. The hospital laboratory serves the hospital as well as healthcare facilities and doctors' offices in the area. Mid Coast Medical Group, a department of the hospital, is comprised of primary care and specialist physicians in Brunswick, Bath, and Topsham.

As a foundation of excellence, the hospital has been accredited by the Joint Commission since 1960. In

2009, Mid Coast Hospital became the first community hospital in Maine to be recognized as a Magnet hospital for excellence in nursing and patient care by the American Nurses Credentialing Center. It is also accredited by the Commission on Cancer. Mid Coast Medical Group practices are NCQA Level 3 designation. Mid Coast Hospital is a Joint Commission accredited Primary Stroke Center, one of only five in the State of Maine. Mid Coast Hospital is continually among the lowest cost and most efficient hospitals in Maine.

A major expansion of the hospital, including a new emergency department and medical-surgical wing, was completed in September of 2009. In addition, Mid Coast Health Services constructed a new medical office building on the hospital campus, and in August 2011, it opened the Mid Coast Primary Care and Walk-In Clinic, Downtown at Brunswick Station.

In 2015, Parkview Adventist Medical Center filed a petition for relief under Chapter 11 of the United States Bankruptcy Code. The hospital presented the Court with a proposed prepackaged bankruptcy plan that included entering into an arrangement with Mid Coast Health Services. The proposal was approved by a bankruptcy judge—allowing the two hospitals to merge. The plan specified that all Parkview full and part-time employees would be invited to continue with Mid Coast–Parkview Health. Parkview’s emergency room closed in June 2015 and on September 8, 2015, walk-in clinic services were redirected to the Mid Coast Walk-In Clinic at Brunswick Station.

In June, 2018, a \$6.2 million renovation at the 44,000- square foot Parkview campus was completed. This includes the 10,000-square foot Mid Coast Medical Group-Family Practice at Parkview, the 9,000-square foot Center for Community Health & Wellness, and the new cancer care center, fully integrated with the MaineHealth Cancer Care Network.

In June, 2019, the Mid Coast-Parkview Health board of directors voted to proceed with joining MaineHealth. This regional network of local healthcare organizations includes Maine Medical Center and several midcoast Maine hospitals. The board concluded that it is in the best interests of Mid Coast–Parkview Health and its community to merge with MaineHealth in order to ensure a sustainable, affordable model for the delivery of high-quality healthcare in the Midcoast region long-term. The two organizations will pursue necessary legal due diligence and regulatory approvals. In addition, the integration will be subject to a vote of Mid Coast–Parkview Health’s corporators. More information about Mid Coast-Parkview Health and MaineHealth may be viewed at <http://www.midcoasthealth.com> and <https://mainehealth.org>.

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SOURCE: <http://www.midcoasthealth.com> and from Mid Coast Health Services, Dept of Communications Relations and Outreach. While the Town believes these sources to be reliable the Town has not made any independent evaluation as to the accuracy or completeness of the above information.

## **Bowdoin College**

Bowdoin College (“Bowdoin” or the “College”) is a private, undergraduate liberal arts college located in Brunswick. Founded in 1794, the College was named to honor James Bowdoin II, a distinguished past governor of the Commonwealth of Massachusetts, at the request of his son James Bowdoin III, the College’s first patron. The College is a residential, nonsectarian institution and has been coeducational since 1970. Bowdoin College offers bachelor of arts degree programs in more than forty defined majors including interdisciplinary programs. The on-campus student enrollment for the fall of 2019 was 1,835 full-time equivalent (FTE) students, and the College maintains a 9:1 student-faculty ratio. Bowdoin’s admissions standards are among the most selective in the nation and its enrollment trend is stable. Bowdoin employs approximately 961 FTE employees, including 211 FTE faculty members. Bowdoin’s payroll totaled \$86.5 million for the fiscal year ending on June 30, 2019, with approximately sixty-seven percent of that amount paid to Brunswick labor market area residents. In addition to taxes and fees, the College also



makes annual financial contributions to the Town of Brunswick. In FY 2019, these voluntary unrestricted payments totaled \$311,800, and the College has indicated it will increase its contribution by \$150,000 in FY 2020. The College contributed \$450,000 for a Discovery Classroom at the new elementary school. In 2019 the College completed Phase II of the Whittier Field Improvements, which included construction of a one-story 8,780 square foot support facility that houses locker, training, and equipment rooms and public restrooms. Also included was the completion of the east end of the bleacher system installed fall 2017. The College broke ground for the new building in June 2018 and it opened in February 2019.

Also in 2019, Bowdoin expanded its student housing with three new housing projects. These include a set of new apartments on Park Row and a renovation of Boody Johnson House on Maine Street, both of which were finished in August of 2019 and ready for students in the fall of 2019. Construction on the new Harpswell apartments started in June 2019 and will finish late summer 2020. The three residential projects will provide more on-campus housing for students at an estimated cost of \$45 million.

Two new buildings, Barry Mills Hall and a Center for Arctic Studies, are planned for construction beginning in the summer of 2020, to provide state-of-the-art academic facilities, a new home for Bowdoin's Peary-MacMillan Arctic Museum, and new event space. Mills Hall will honor Bowdoin's fourteenth president, Barry Mills. Mills Hall and the Center for Arctic Studies will be constructed adjacent to each other on a portion of the former Dayton Arena site and across from the new Roux Center for the Environment. Once the new buildings are completed, the nearby Dudley Coe Infirmary building will be taken down, opening up a new quadrangle and vistas toward Bowdoin's main quadrangle.

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SOURCE: <https://www.bowdoin.edu> and from Bowdoin College. The Town has not made any independent evaluation as to the accuracy or completeness of the above information.

### **Brunswick Landing – Maine's Center for Innovation**

Brunswick Landing – Maine's Center for Innovation ("Brunswick Landing") is the name given to the redevelopment of Naval Air Station, Brunswick ("NASB" a.k.a. "Brunswick Naval Air Station" or "BNAS" or the "Base") a facility covering approximately 3,300 acres and located near the geographic center of Brunswick. Redevelopment is occurring under the direction of the Midcoast Regional Redevelopment Authority ("MRRRA"), a public municipal corporation established by the Maine Legislature to implement the NASB Reuse Master Plan as set forth by the Brunswick Local Redevelopment Authority ("BLRA").

NASB was a military facility which closed in May 2011 as the result of the 2005 Base Realignment and Closure ("BRAC") process. In 2006, NASB officials claimed the Base was Maine's second largest single-site employer, at that time employing 4,710 full-time military and civilian personnel, of which 713 were civilians.

#### **The Impact of NASB's Closure**

Soon after the 2005 BRAC closure announcement, the Defense Employment and Transitions Steering ("DETS") Committee, a subcommittee of the Coastal Counties Workforce Board, Inc., commissioned a study that resulted in the report entitled, *The Impact of the BRAC Ordered Closure of the Brunswick Naval Air Station: A Regional Community Audit and Strategic Implications for the Coastal Economy, Business and Workers*, and dated March 31, 2006 (the "CCW Report"). The CCW Report, projected the loss of 3,435 direct jobs and 1,441 indirect jobs with the closure of the Base.

In 2004, the Navy engaged with a private developer under the Navy Military Housing Privatization Initiative to privatize family housing units at NAS Brunswick. The resulting ownership entity, Northeast Family Housing LLC assumed ownership of housing assets previously owned by the Navy, including 573 housing units in Brunswick. These units were sold in 2010 to Affordable Midcoast Housing (AMH) and

on May 3, 2011, MRRA sold the underlying land to AMH. To date, Affordable Mid Coast Housing (AMH) has sold all of the 231 housing units in the McKen Street neighborhood to individual homeowners, and in June 2017 sold the Brunswick Landing housing of 332 units to Brunswick Landing Ventures, LLC.

### **The Response to NASB's Closure**

In response to the recommended closure of NASB, the Town of Brunswick and the State of Maine formed the Brunswick Local Redevelopment Authority ("BLRA"). In December 2007, the BLRA completed its *Reuse Master Plan for BNAS*. (the "Master Plan") The Master Plan retains aviation uses at the base and incorporates a mix of land uses including: a professional business park; academic and research facilities; governmental and public facilities; housing; and recreational uses and open space. The Town has zoned the land at NASB consistent with the Town's economic and land-use goals. The BLRA was succeeded by the Midcoast Regional Redevelopment Authority ("MRRA"), a governmental agency established by the Maine Legislature to implement the Master Plan and manage the former NASB properties.

Several programs exist to assist in the redevelopment of NASB, and MRRA and the Town of Brunswick have continued to pursue those resources. The Town has and will continue to assess the economic impact of the closure and the closure's impact on the Town's operating budgets and capital improvement program. The Town fully expects to make adjustments accordingly.

### **Development at Brunswick Landing**

The United States government transfers properties to MRRA through Public Benefit Conveyances ("PBC") and Economic Development Conveyances ("EDC"). Only properties that are determined to be "clean" through a Finding of Suitability to Transfer ("FOST") can be transferred. The covenants of the Economic Development Conveyance from the United States government require all sales and leases of property be at market rate. MRRA is also required to pay the United States government 25% of its sales and lease revenues after receipt of the first \$7 million. To date, MRRA has paid the United States Government over \$8.38 million.

Since the first Public Benefit Conveyance for the airfield on March 28, 2011 and the Economic Development Conveyance Purchase and Sale Agreement signed on September 28, 2011, the Navy has transferred 2,859 acres of the total former Base of 3,372 acres. MRRA has now received approximately 1,823 of the approximately 2,114 acres MRRA is slated to receive. Of the non-airport property received, MRRA has sold over 415 acres and 45 buildings, leaving over 1,300 acres and over 780,000 of building space under management. As of April 1, 2019, within the three Tax Increment Financing ("TIF") districts on the former Base in Brunswick, \$83.5 million in taxable real property value had been created from the previously exempted Navy facilities.

The Navy has also conveyed properties to the Maine Community College System ("MCCS"). MCCS and its partner, the University of Maine System ("UMS") have established associate, baccalaureate, certificate and training programs at Brunswick Landing. The renovated campus buildings include state-of-the-art classrooms and laboratories that support studies in pre-engineering, composites, business, health care, liberal arts and sciences and more. The combined Southern Maine Community College ("SMCC") and UMS campus now has an enrollment of nearly 1,125 students. The Navy has also conveyed properties to Bowdoin College and the Town of Brunswick, with approximately 1,100 acres reserved for conservation and recreation purposes.

According to MRRA, there are now over 135 public and private entities, with approximately 2,000 jobs, at Brunswick Landing and the Topsham Commerce Park, and those entities are in the process of creating additional jobs, well exceeding the statutory short term economic development goal of replacing the 713

civilian employees at Naval Air Station Brunswick. In addition, there are 120 Maine Army National Guard members and 124 Marine Corps Reservists assigned to their units at Brunswick Landing.

MRRA in partnership with the Maine Manufacturing Extension Partnership (“MMEP”) and Coastal Counties Workforce, Inc. (“CCWI”), received a \$2,425,000 grant from the Economic Development Administration, Department of Labor and National Institute of Standards and Technology to establish and fit-up a portion of the 95,000 square foot *TechPlace*, an Advanced Manufacturing, Science and Technology Business Accelerator on the campus of Brunswick Landing. The BDC and DECD/Town of Brunswick contributed \$250,000 each. Completed in 2015, and expanded by an additional 25,000 square feet in 2016, with a shared composite layup facility and new paint booth added in 2017-18, *TechPlace* supports 37 early stage businesses in the sectors of aerospace, advanced materials, information technology, cleantech, life science and education. 90% of the building is now occupied, yielding nearly \$450,000 in rent. Two companies which have ‘graduated’ from *TechPlace* and relocated into other buildings on Brunswick Landing now have 99 employees between them.

Since it opened over eight years ago, BXM has seen significant increases in air traffic, with an estimated 26,000 flight operations in 2019, a 20% growth over 2018. Approximately 45 resident aircraft owners are based at BXM. Brunswick Executive Airport participates in the FAA’s Military Airport Program (MAP). This program provides special funding to assist airport authorities to convert former military airfields into civilian airports. The airport is currently in the midst of a 10-year, \$40 million investment program of safety upgrades and improvements. In 2019, a new \$3.5 million hangar was constructed to help draw more businesses to the airport.

In September, 2019, the Town of Brunswick completed Landing Drive, a new road connecting Admiral Fitch Avenue, Brunswick Landing’s main artery, to Gurnet Road in Cooks Corner. The Town, MRRA, and certain property owners and developers cooperated on the plan, and the road adds another entry way into Brunswick Landing from the east, to improve traffic flow, ease congestion and facilitate further development on Brunswick Landing and in the Cook’s Corner area. In July, 2018 the Town Council adopted an ordinance authorizing the project at a cost not to exceed \$2,550,000, funded through a combination of grants, contributions, impact fees and the issuance of up to \$1,200,000 in long-term debt. In May 2019 the Town appropriated \$560,000 in TIF revenues from the Brunswick Landing and Brunswick Executive Airport TIF Districts, reducing the potential amount to be borrowed to approximately \$625,000.

The Town Council also adopted a Cook’s Corner Municipal TIF District and Development Program to capture the increased property values from projected development in the Cook’s Corner area. Tax revenues captured in this TIF district, along with those in the Brunswick Landing and Brunswick Executive Airport TIF Districts, may be used to fund the new road and other infrastructure improvements in the vicinity. See also “INDEBTEDNESS – FUTURE FINANCING” and “PROPERTY TAXATION – TAX INCREMENT FINANCING DISTRICTS AND AFFORDABLE HOUSING DEVELOPMENT DISTRICTS”.

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SOURCE: *Information contained herein was obtained from:*

*BRAC Preparedness Strategy, Town of Brunswick, Maine, RKG Associates Inc. dated May 12, 2005;*  
*The Impact of the BRAC Ordered Closure of the Brunswick Naval Air Station: A Regional Community Audit*  
by Planning Decisions, Inc., and Career Prospects, Inc.;

*Strategic Implications for the Coastal Economy, Business and Workers, Coastal Counties Workforce, Inc.,*  
3/31/06;

<http://www.mrra.us>

<http://mrra.us/wp-content/uploads/Letter-to-Governor-Janet-T.-Mills-Annual-Report-2018.pdf>

NOTE: While the Town believes these sources to be reliable no independent investigation or inquiry has been made by the Town as to the accuracy or completeness of the above information.

## TOWN FINANCES

### BUDGETARY PROCESS

Article V of the Town's Charter provides for a budget process. The fiscal year (or "budget year") of the Town begins on the first day of July and ends on the thirtieth day of June of the following year. The charter provides that the Town Manager submit a budget to the council by May 1st of each budget year. The proposed budget is made available to the general public not later than two weeks after its submission to the council, which then orders a public hearing. The charter further directs the council to adopt a budget not later than June 15th. If the appropriation resolve establishes a property tax levy that exceeds the property tax levy limit, as defined in Maine law, then the excess of the appropriation must be approved in a separate article by a majority of the entire Town Council. The property tax levy limit of one year may not exceed the property tax levy limit from the prior year by more than a specified growth limitation factor (see "TOWN FINANCES – PROPERTY TAX LEVY LIMIT" herein). State law also requires that the education portion of the budget, approved by the Town Council, is subject to a budget validation ratification referendum of the voters. Upon adoption of the budget, a property tax levy is then established and filed with the town assessor.

#### General Fund Budget for Fiscal Years Ending June 30, (000's)

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
<b>REVENUES</b>					
Property Taxes	\$ 38,550	\$ 39,985	\$ 41,347	\$ 42,783	\$ 44,727
Vehicle Excise Taxes	2,865	2,965	3,240	3,300	3,490
Other Taxes	294	348	354	379	503
Licenses, Fees, & Permits	360	387	443	467	584
Intergovernmental	11,190	12,378	11,924	11,279	13,155
Charges for Service	1,305	1,286	1,277	1,361	1,497
Interest on Investments	20	60	150	215	220
Other	950	867	930	991	1,031
Transfers and Use of Balances	4,062	3,200	3,161	3,211	2,723
<b>TOTAL REVENUES</b>	<b>\$ 59,596</b>	<b>\$ 61,476</b>	<b>\$ 62,826</b>	<b>\$ 63,986</b>	<b>\$ 67,930</b>
<b>EXPENDITURES</b>					
General Government	\$ 3,753	\$ 3,892	\$ 4,001	\$ 4,005	\$ 4,454
Public Safety	8,722	8,902	9,232	9,566	10,306
Public Works	3,795	3,899	4,027	4,165	4,121
Human Services	183	176	181	184	198
Education	34,728	36,174	36,138	36,897	38,566
Recreation & Culture	2,771	2,843	3,013	3,198	3,393
Debt Service	2,698	2,378	2,613	2,227	2,559
County Tax	1,360	1,411	1,518	1,565	1,590
Unclassified	218	347	415	478	550
Transfers Out	1,368	1,454	1,688	1,701	2,193
<b>TOTAL EXPENDITURES</b>	<b>\$ 59,596</b>	<b>\$ 61,476</b>	<b>\$ 62,826</b>	<b>\$ 63,986</b>	<b>\$ 67,930</b>

NOTES: This table is prepared on the Budgetary Basis. It reflects the adopted budget as amended, not the final budget. Further, (a) Debt service and education appropriations have been reclassified for comparative purposes. Previously, debt service for school construction projects was reported as part of the educational appropriation. It is now included with debt service in the table above. The education appropriation has been reduced by the corresponding amount; (b) The State of Maine reimburses the Town for a portion of the Homestead Exemptions provided to resident property taxpayers of the Town of Brunswick and the Business Equipment Tax Exemption provided to businesses. The Town budgets the reimbursements as property tax revenue.

## **Budget Commentary**

The original adopted 2019-20 municipal budget estimated a property tax rate increase of 4.97%. Subsequent to the adoption of the Town's budget, the State adopted its biennial budget for fiscal 2020-2021, which included Revenue Sharing at \$350,000 more than the Town had budgeted. The Town Council chose to amend the Town's 2019-20 budget, resulting in an estimated property tax increase of 4.49%. With the tax commitment in August, the final tax rate was \$19.72/\$1,000, an increase of \$0.80, or 4.23% over the previous year's rate. This increase exceeded the previous year's increase of 2.99%.

Budgets for the past several years have been strongly affected by changes in state aid, and the 2020-21 budget, in the second year of the State's biennial budget, will be no different. See also "REVENUES FROM THE STATE" herein, and APPENDIX A – TOWN OF BRUNSWICK, MAINE, COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2019", pages 29-30, herein.

Revenue Sharing is program by which, since 1972, the State has shared a portion of its income and sales tax revenues with municipalities in order to provide a measure of property tax reduction. Since FY 06 the State has annually transferred funds out of the revenue sharing pool to its general fund, with the percentage transferred increasing significantly in FY 10. For the year ended June 30, 2014, approximately 53% of the pool's fund was transferred, and this was increased to nearly 59% in FY 15 and FY 16. The 2016 State budget bill revised the revenue sharing law for the next four fiscal years (FY 16 – FY 19) to require the distribution to be 2% of state sales and income tax receipts rather than 5% as has been required by law for the last several decades. The 5% requirement was scheduled to be reinstated for FY 20 and thereafter, but the State's biennial budget again delayed the reinstatement, changing the distribution to 3% in FY 20 and to 3.75% in FY 21. For the year ended June 30, 2019, Brunswick received \$1,258,491 in revenue sharing, and is anticipating an increase to \$1,800,000 for FY 20. An additional 0.75% could result in an increase of nearly \$450,000 for Brunswick in FY 21.

In 2016, the State also changed the value of the homestead property tax exemption. Previously, the law provided for a homestead exemption in the amount of \$10,000 with the State reimbursing municipalities at a rate of 50% of the lost revenue. Beginning in 2016 (FY 17), the homestead exemption increased to \$15,000 with the State reimbursement continuing at 50%. In 2017 (FY 18), the homestead exemption increased to \$20,000, but the State reimbursement rate, which was originally projected to increase to 62.5% that year, was maintained at 50% in FY 18, and only increased to 62.5% in FY 19. In the State's biennial budget adopted in June 2019, the exemption amount and reimbursement rate are maintained for FY 20, but for FY 21 the homestead exemption to taxpayers is increased to \$25,000, and the State reimbursement to municipalities is increased to 70%. The exemption increase will benefit the property taxpayer, and with the increased reimbursement rate, is estimated to have a net neutral effect for the Town.

The State of Maine budget contains several initiatives which have significant implications for the School Department as well. Beginning with the FY 13 – FY 15 biennial budget the State budget required that school units pay the normal cost of the teacher plan administered by the Maine Public Employees Retirement System (MainePERS). Teacher plan retirement costs have historically been funded by the State. With this change, the State budget did increase the level of state aid to cover the cost, though no assurances can be made that the State's subsidy program will continue in its present form.

More recent changes to the Essential Programs and Services (EPS) formula included the removal of certain administrative costs from the formula, and calculating the Town's state valuation based on an average of two years rather than three, which increased the local required contribution. Offsetting this, in FY 20 the State provided start-up funding for new and expanded preschool classrooms, and funding for two

replacement school buses, with funding for an additional two buses anticipated in FY 21. The School Department is anticipating an increase of nearly \$1.2 million in State Aid for FY 20 over FY 19.

The 2019-20 municipal budget was developed with the awareness that the Town had made significant use of reserves and one-time revenues in previous budgets. The Town Council decided to continue allocating some fund balance to the budget, but to maintain the amount used at \$500,000. With this level of fund balance used in the budget each year, the Town has been able to restore its unassigned fund balance to the target level established in the Town's Fund Balance Policy. In the past three years, budget surpluses have enabled the Town to use unassigned fund balance for capital projects through the Capital Improvement Program.

To anticipate future service requirements and develop sustainable budgets, the Town Finance Committee regularly works with five-year operating revenue and expenditure forecasts, and coordinates these with the Capital Improvement Program. The Town expects to face significant pressure on its property tax rates over the next five years, particularly beginning in fiscal 2020-21 when debt service payments on the new elementary school are scheduled to begin. Also being considered is the operational costs of adding preschool classrooms in fiscal 2020-21, and debt service on a new central fire station in the following year. Additionally, the Town has certain unanticipated costs associated with welcoming a number of new families in Brunswick. These are approximately 100 asylum seekers who arrived in Brunswick in August and September. To provide the necessary services, the Town has hired additional employees in both school and municipal departments, and expects to provide ongoing general assistance as needed. With the forecasting exercise, the Finance Committee and Town Council continue to review the status of unassigned fund balance, the allowable uses of TIF revenues, and the opportunities for savings in budgeted expenditures and capital outlays.

## **PROPERTY TAX LEVY LIMIT**

As previously discussed, unless the Town follows certain procedural requirements under Title 30-A, Section 5721-A of the Maine Revised Statutes, as amended, the Town is limited to an increase in the Town's property tax levy from one year to the next to an amount not more than its Municipal Property Tax Levy Limit (see "THE BONDS – SOURCE OF PAYMENT AND REMEDIES – Limitation on Municipal Property Tax Levy" herein). The Municipal Property Tax Limit for subsequent fiscal years is the Municipal Property Tax Levy Limit for the preceding year multiplied by the Growth Limitation Factor. Therefore, in cases where the amount of the prior year's Municipal Property Tax Levy Limit exceeds the amount of the Town's actual property tax levy ("Municipal Property Tax Levy"), the Town may carry-forward that difference in establishing its future years' property tax levy. The following table displays the Town's limitation on Municipal Property Tax Levy:

Fiscal Year End	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
State Personal Income Factor	0.86%	2.67%	2.84%	2.61%	2.77%
Town Property Growth Factor	2.65%	1.84%	2.10%	1.42%	1.22%
Growth Limitation Factor	3.51%	4.51%	4.94%	4.03%	3.99%
Property Tax Levy Limit	\$ 15,381,455	\$ 16,075,159	\$ 16,805,659	\$ 17,482,928	\$ 18,180,486
Property Tax Levy	<u>12,869,599</u>	<u>13,300,972</u>	<u>13,862,157</u>	<u>13,979,744</u>	<u>14,443,227</u>
Over/(below) Prop Tax Levy Limit	\$ (2,511,856)	\$ (2,774,187)	\$ (2,943,502)	\$ (3,503,184)	\$ (3,737,259)

## **FUND BALANCE – GENERAL FUND**

The Town has a formal fund balance policy for its General Fund. The policy, adopted in 2010, targets unassigned General Fund balance at 16.67% of generally accepted accounting principles ("GAAP")

revenues. The adopted policy and fund balance targets are based on the Government Finance Officer Association's ("GFOA") recommended best practice, updated in 2009. In developing the target, the Town considered a number of factors, including the property tax base, non-property tax revenues, exposure to significant outlays, debt profile, liquidity, budget management, future uses, and the employment base. The policy calls for an annual review of these factors and a report indicating compliance with the policy as well as identification of any new factors to be considered. Should the Town fall below the targeted balance, the policy mandates the development of a three-year plan to reach the target. 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. The following displays the Town's Unrestricted and Unassigned General Fund Balances for its five most recently audited fiscal years:

#### **Fund Balance as % Revenues – General Fund**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Unrestricted General Fund					
Balance	\$ 10,195,567	\$ 11,447,392	\$ 13,493,551	\$ 14,812,789	\$ 15,875,333
Total Revenues	56,991,482	58,833,107	61,517,380	62,944,607	65,228,364
<b>As a % of Revenues</b>	<b>17.89%</b>	<b>19.46%</b>	<b>21.93%</b>	<b>23.53%</b>	<b>24.34%</b>
Unassigned General Fund					
Balance	\$ 8,670,334	\$ 10,316,602	\$ 11,792,687	\$ 11,488,110	\$ 12,430,139
Total Revenues	56,991,482	58,833,107	61,517,380	62,944,607	65,228,364
<b>As a % of Revenues</b>	<b>15.21%</b>	<b>17.54%</b>	<b>19.17%</b>	<b>18.25%</b>	<b>19.06%</b>

For the year ended June 30, 2019 the target unassigned fund balance was \$10,873,568. The actual balance, at 19.06% of GAAP revenues, is \$1,556,571 above the target. This was anticipated, as the Town had experienced balances below the target in FY 2013 and FY 2014, and followed its plan to bring the balance above the target level. The Town has continued its effort to limit the use of fund balance to offset operating expenditures, maintaining the use of fund balance in the 2019-20 municipal budget at \$500,000. Amounts in excess of the target unassigned fund balance as of June 30, 2018 were used for one-time expenditures or capital improvements, and additional expenditures are being recommended through the Town's Capital Improvement Program, currently in development. See the TOWN FINANCES – CAPITAL IMPROVEMENT PROGRAM" following.

#### **CAPITAL IMPROVEMENT PROGRAM**

Article VI, Section 601 of the Town's Charter requires that the Town Manager prepare and submit a five-year Capital Improvement Program ("CIP") at the same time as the annual budget is submitted. The CIP includes a list of all capital improvements proposed over the next five fiscal years, methods of financing, time schedules and annual cost to support the proposed program. The CIP is a plan; it does not fund any projects. Project funding can be authorized in a variety of formats, all of which involve a separate action by the Town Council. The Town's Charter requires any project over \$1,000,000 or to be financed with debt be approved by ordinance, the process for which includes a public hearing.

The Town's current CIP policy, procedures and format were adopted by the Council in February 2013, and updated in December 2018. The annual CIP is now developed in the fall each year, and finalized in early spring for submittal to the Council. The policy establishes the content and format of the Town's capital improvement planning and provides guidelines for funding methods. For clarity in planning, the policy

specifies that projects be grouped in one of four classifications:

*Projects Recommended for Funding* - Projects and acquisitions included shall have been sufficiently developed and defined as to clearly identify the scope and cost of the project and the recommended funding sources. It is highly likely that projects in this class will eventually be authorized for completion and funding.

*Projects In Development* - Projects and acquisitions of this class are under active consideration but have not been sufficiently developed or defined to clearly identify the scope or cost of the project. Typically, projects in this category are being evaluated from several alternatives, or there is not sufficient confidence in the cost estimates to determine whether the project should be recommended for funding.

*Projects Not Recommended* - Projects and acquisitions of this class have been identified or requested by departments or others but are either insufficiently developed or defined, or have been deemed to be beyond the funding capacity of the Town. These projects may receive consideration at a future date should circumstances warrant.

*Projects Non-Town Funded* - Projects to be completed and funded solely by entities other than the Town, with an estimated operational cost impact to the Town of more than \$25,000, are of interest to the Town in its planning efforts. However, as they have a minimal, or no, impact on Town finances, they are shown separately from Town funded projects.

The CIP Policy also recommends certain principles with regard to financing methods:

*Debt Financing* – Projects or acquisitions to be funded wholly or partially with debt issued by the Town of Brunswick should have a cost to the Town of at least of \$325,000 and a life expectancy of five years or greater. However, the Town Council may authorize the issuance of debt for projects and acquisitions that have a cost to the Town of at least \$100,000. Debt shall never be issued for a term longer than the life expectancy of the project or acquisition.

*General Revenues* – Projects or acquisitions funded from general revenues or property taxation. Annual funding from this source should represent 4-7% of the total operating budget.

*Fund Balances* – Projects to be funded with fund balances shall be those that meet the purpose and intent of the fund. Funding from the unassigned general fund balance should be consistent with the Town's General Fund Policy.

*Reserves* – Projects to be funded from reserves should be those that meet the purpose and intent of the reserve.

*Non-Town Sources* – Projects to be funded from non-town sources should meet the restrictions requirements of the funding provider.

Beginning with its establishment in August 2014, the Finance Committee assumed the duties of the CIP Committee, and has followed the new CIP policy and procedures in the development of the CIP. On May 13, 2019, the Town Council adopted a CIP for fiscal years ending 2020-2024. This document, previous CIPs, and current drafts are available on the Town's website:  
<http://www.brunswickme.org/161/Capital-Improvement-Program>



On November 7, 2019, the Town Manager submitted a preliminary CIP for fiscal years ending 2021-2025 to the Finance Committee for review and recommendations. The Finance Committee held several workshops and meetings in November and December, and will continue work in February, with the Town Manager scheduled to present a recommended CIP to the Town Council on March 2, 2020. The Town Council will review the CIP in conjunction with its development of the 2020-21 budget, and it is anticipated that the 2021-25 CIP will be adopted by the Town Council at the same time as the 2020-21 budget in May 2020. Adoption of the CIP does not constitute funding of capital projects. Appropriation of funds, or authorization of the issuance of bonds, occurs with the adoption of the capital budget or in a separate action of the Town Council.

Information from the Manager's DRAFT 2021-2025 CIP is as follows.

### **CIP Projects Recommended for Funding (Manager's DRAFT November 2020)**

#### **DRAFT -- For Fiscal Years Ending 2021-2025 -- DRAFT**

<b>PROJECTS</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>TOTALS</b>
Facilities - Improvements	\$ 762,000	\$ 8,300,650	\$ -	\$ -	\$ -	\$ 9,062,650
Infrastructure	4,321,000	5,235,000	4,390,000	2,200,000	1,395,000	17,541,000
Capital Acquisitions	415,000	214,500	-	-	180,000	809,500
Municipal vehicle/equip/facilities	1,011,960	1,076,199	1,115,723	1,155,538	1,170,648	5,530,068
Municipal annual work programs	1,265,000	1,410,000	1,560,000	1,695,000	1,815,000	7,745,000
School vehicle replacement	190,962	196,691	202,592	208,670	214,930	1,013,845
School annual work programs	1,044,550	714,700	781,150	452,150	441,300	3,433,850
<b>TOTALS</b>	<b>\$ 9,010,472</b>	<b>\$ 17,147,740</b>	<b>\$ 8,049,465</b>	<b>\$ 5,711,358</b>	<b>\$ 5,216,878</b>	<b>\$ 45,135,913</b>

#### **FUNDING SOURCES**

General Obligation Bonds	\$ 817,000	\$ 300,650	\$ -	\$ -	\$ -	\$ 1,117,650
GO Bonds - TIF funded	1,520,000	1,000,000	2,148,333	-	-	4,668,333
General Fund Balance	651,000	1,589,500	460,000	425,000	502,500	3,628,000
Municipal Revenues - Annual Prog	2,276,960	2,486,199	2,675,723	2,850,538	2,985,648	13,275,068
School Revenues	1,235,512	911,391	983,742	660,820	656,230	4,447,695
State of Maine	1,716,667	2,932,000	1,616,667	1,505,000	922,500	8,692,834
Donations/Grants	335,000	200,000	-	-	-	535,000
TIF Revenues	338,333	238,000	165,000	270,000	150,000	1,161,333
Reserves	-	7,490,000	-	-	-	7,490,000
Other	120,000	-	-	-	-	120,000
<b>TOTALS</b>	<b>\$ 9,010,472</b>	<b>\$ 17,147,740</b>	<b>\$ 8,049,465</b>	<b>\$ 5,711,358</b>	<b>\$ 5,216,878</b>	<b>\$ 45,135,913</b>

Within the *Projects Recommended for Funding*, the following projects, if pursued, were proposed to be funded with long-term debt:

#### **2021-25 CIP - Recommended for Funding with General Obligation Bonds -- DRAFT November 2019**

<b>PROJECTS</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>TOTALS</b>
Brunswick Junior High School	\$ 402,000	\$ 300,650	\$ -	\$ -	\$ -	\$ 702,650
Pleasant St Corridor - PPI	-	-	2,148,333	-	-	2,148,333
Downtown Improvements	1,520,000	1,000,000	-	-	-	2,520,000
Tank 2 Replacement	415,000	-	-	-	-	415,000
<b>RECOMMENDED TOTALS</b>	<b>\$ 2,337,000</b>	<b>\$ 1,300,650</b>	<b>\$ 2,148,333</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,785,983</b>

**Junior High School Repairs** - The School Department facilities planning process involved extensive analysis of the Brunswick Junior High School (“BJHS”), identifying repair needs of \$5,711,088. Originally included in the School Department’s request for funding along with the new elementary school project mentioned above, the BJHS project was subsequently separated out to be considered independently, and the Brunswick School Department submitted an application to the Major Capital School Construction Program with the Maine DOE for the school. With the release of the DOE’s program priority listing, it became clear that the BJHS could not expect state funding assistance, and attention was turned to addressing the repair needs over time. The current draft of the CIP includes two years of repairs totaling \$709,650, to be funded through the issuance of debt.

**Pleasant Street Corridor – PPI** - The Town of Brunswick has entered into an agreement with the Maine Department of Transportation, under the Planning Partnership Initiative (“PPI”) program, to complete a study of the Pleasant Street corridor. This study will evaluate, plan and scope transportation projects along the entire length of Pleasant Street. The draft CIP project anticipates several infrastructure projects which will follow the study, along with potential costs and sources of funding. The largest of these projects, the possible Turner Street Extension, is projected for 2022-23, with the Town’s share of \$2,148,333 to be funded through the issuance of debt.

**Downtown Improvements** - Brunswick’s downtown area consists primarily of Maine Street from the Frank Wood Bridge to the First Parish Church, and the adjoining side streets. Sidewalks on Maine Street are pavers, the majority of which were installed between 1990 to 2001 and are now aging significantly. Ornamental light poles along Maine Street were also installed in the 1990’s and are in need of upgrade. The Town is currently putting together a downtown streetscape enhancement plan to upgrade the sidewalks and lighting, along with addressing the health and location of trees along Maine Street. The project will be consistent with the Downtown Master Plan, and revenues from the Downtown and Transit-Oriented TIF District may be used to fund the project. On May 13, 2019 the Town Council appropriated \$400,000 in TIF revenues for this project, and the Town completed a survey of the area. The Town has contracted with a firm to conduct public forums and develop the project design. The draft CIP indicates additional funding through the issuance of debt, with the debt service to be paid with TIF revenues.

**Tank 2 Replacement** - Fire Department Tank 2 is a 1994 Ford/Central States 1500-gal Tanker/Pumper. Based on the Fire Department’s vehicle replacement schedule, the truck is scheduled to be retired in 2020-21. The Fire Department estimates the cost of replacement at \$415,000, and in accordance with the CIP policy, funding is proposed as bonds. Alternatively, the Town may choose to use unassigned general fund balance for this purchase, depending upon the amount available above the fund balance target.

### **CIP Projects in Development**

The CIP includes several major projects that are under active consideration, but which have not been sufficiently developed or defined to clearly identify their scope or cost. These projects have been catalogued to allow the Town to consider its ability to afford the potential capital and operating costs. If pursued, these projects, with the cost estimates shown in the following table, would most likely be financed with the issuance of debt.

#### **CIP - In Development for Funding with General Obligation Bonds -- DRAFT November 2019**

<b>PROJECTS</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>TOTAL</b>
Public Works Facility	\$ -	\$ -	\$ -	\$ -	\$ 12,000,000	\$ 12,000,000
Town Hall HVAC	-	-	400,000	-	-	400,000
Downtown Parking Facility	-	-	-	-	5,000,000	5,000,000
Bunganuc Road Culvert	-	350,000	-	-	-	350,000
<b>IN DEVELOPMENT TOTALS</b>	<b>\$ -</b>	<b>\$ 350,000</b>	<b>\$ 400,000</b>	<b>\$ -</b>	<b>\$ 17,000,000</b>	<b>\$ 17,750,000</b>

**Public Works Facility** - This project is for a new 40,000 square foot public works facility on Industry Road. The existing public works facility is 16,972 square feet and is undersized for the 26.5 FTE employees, 22 vehicles and 34 pieces of equipment in the department. The main building (offices and repair bays) was constructed in 1956 and lacks insulation and proper ventilation, as well as adequate storage space. The proposal is based on an initial \$300/ft construction estimate, and as plans develop the cost estimate will be refined.

**Town Hall HVAC** - This project is being carried in the CIP with an estimate of \$400,000, and represents projected work that was identified during the renovations of 85 Union Street when municipal offices were relocated to the building in 2014. The project is not currently being actively pursued, and it is expected that further investigation and design of the system will result in a more precise cost estimate.

**Downtown Parking Facility** - Over the past several years, the Town has looked at a number of options to relieve the parking issues in its downtown area. In July, 2018, in order to have a parking structure option 'shovel ready' for potential federal funding resources, the Town Council approved the use of up to \$75,000 in Downtown TIF revenues to fund a site selection/feasibility study for a parking structure in downtown Brunswick. Becker Structural Engineers were selected to conduct the study, and in the fall they delivered their report, including the preferred site as the Bank St municipal lot. With the understanding that a parking garage/structure would require an external funding source such as a grant, the project is included in the CIP as partially funded through debt. Any long-term debt issued for this project could be repaid with the use of Downtown TIF revenues.

**Bunganuc Road Culvert** - An existing 17 linear foot, 16 foot inch diameter pipe arch that crosses Bunganuc Road at Bunganuc Brook has been identified by a recent MaineDOT inspection as being in poor condition. As the culvert is under the Army Corps of Engineers jurisdiction, the Town will need to apply for a permit to do the work, and is considering initial funding for the design and permitting of the culvert replacement. The \$350,000 currently carried in the CIP for construction is an estimate, and based on the amount, is proposed to be funded through the issuance of debt.

**Other Debt Supported Projects** - Departments have submitted a variety of projects, including infrastructure improvements, building improvements, vehicle and equipment acquisitions, and other items to be assessed in the CIP process. Though currently not recommended, the total of the other debt-funded projects proposed to be included in the CIP process is estimated at \$3.83 million. The Town has a number of other plans and reports that call for projects that, if undertaken, would most likely be funded with long-term debt. While it is the Town's intent to bring all capital requests through the CIP process, no assurances can be given that projects not included in the CIP will not ultimately be funded, and that the source of that funding may be long-term debt.

## **INVESTMENT POLICY**

In October, 2016, the Town adopted a revised Investment Policy, replacing a 1985 policy. Pursuant to its policy and applicable Maine law (Title 30-A, Section 5706 *et seq.* of the Maine Revised Statutes, as amended (the "Act")) all investments of the Town must be made with the judgment and care that persons of prudence, discretion and intelligence, exercise in the management of their own affairs, not for speculation but for investment considering (i) safety of principal and preservation of capital, (ii) maintenance of sufficient liquidity to meet all operating and cash requirements that may be reasonably anticipated, and (iii) return of income commensurate with avoidance of unreasonable risk. The Town's investment practice is to maintain a cash and investment pool that is available for use by all funds and consists of short-term investments. The Town is invested principally in bank certificates of deposit, repurchase agreements, money market mutual funds, and direct obligations of the United States government and its agencies. The Town is not invested in any obligations typically referred to as derivatives, meaning obligations created

from, or whose value depends on or is derived from, the value of one or more underlying assets or indexes of asset values in which the municipality owns no direct interest.

## FINANCIAL STATEMENTS

Title 30-A, Chapter 223, Subchapter VIII of the Maine Revised Statutes, as amended, and Article II Section 213 of the Town's Charter provide for independent annual audits of the Town's accounts and establishes procedures for such audits. The Town, in conformance with this statute and its Charter at present engages the services of Runyon Kersteen Ouellette, Certified Public Accountants. The audited basic financial statements, as included in the Town's Comprehensive Annual Financial Report ("CAFR"), for the fiscal year ended June 30, 2019 are presented as APPENDIX A to this Continuing Disclosure Statement. Runyon Kersteen and Ouellette has not reviewed this Continuing Disclosure Statement nor taken any part in its preparation.

The Town also produces a Popular Annual Financial Report ("PAFR") under a Government Finance Officers Association ("GFOA") certificate program. With this report, the Town has extracted information from the CAFR to produce a financial report specifically designed to be readily accessible and easily understandable to the general public and other interested parties without a background in public finance. The PAFR is made available on the Town's website and in printed form in Town Hall and the library. It is intended to promote interest, questions and further understanding of the Town's finances.

The accounts of the Town are organized on the basis of funds, each of which is considered a separate accounting entity. Each fund is operated and accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balances, revenues and expenditures.

**Governmental Funds** are used to account for the Town's general government activities. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting.

- The **General Fund** is the Town's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- **Special Revenue Funds** account for revenue sources that are legally restricted to expenditure for specific purposes (not including permanent funds or major capital projects).
- **Debt Service Funds** account for resources accumulated and payments made for principal and interest on general obligation debt of governmental funds.
- **Capital Projects Funds** account for the acquisition of capital assets or construction of major capital projects not being financed by proprietary or permanent funds.
- **Permanent Funds** account for resources where principal is legally restricted by a formal trust agreement and only earnings may be used for purposes that benefit the government or its citizenry.

**Proprietary Funds** are accounted for using the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. The Town's proprietary funds include the following types:

- **Enterprise Funds** are used to account for those operations that are financed and operated in a manner similar to private business or where management has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.
- **Internal Service Funds** are used to account for those operations which provide benefits to other funds, departments, or agencies of the primary government and its component units.

**Fiduciary Funds** account for assets held by the government in a trustee capacity or as an agent on behalf of others. The Town's fiduciary funds include the following fund types:

- **Private-Purpose Trust Funds** account for resources where principal is legally restricted by a formal trust agreement and only earnings may be used for purposes that benefit individuals, private organizations, or other governments.
- **Agency Funds** are custodial in nature and do not present results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting. These funds account for assets that the government holds for others in an agency capacity.

Following are 5-year comparative statements for the Town's General Fund.

**Town of Brunswick, Maine  
Comparative Balance Sheets - General Fund  
For the Year Ended June 30,**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<b>ASSETS</b>					
Cash & Investments	\$ 19,102,967	\$ 19,822,700	\$ 23,560,748	\$ 23,966,484	\$ 16,170,103
Taxes Receivable	1,026,639	851,719	838,933	968,616	863,629
Tax Liens & Acq. Property	308,611	338,931	327,212	299,537	294,929
Accounts Receivable	949,147	744,149	725,531	812,679	873,255
Due from Other Funds	-	-	-	-	6,360,945
Advances to Other Funds	454,080	363,264	272,448	181,632	727,778
Other	37,711	26,753	26,523	28,015	39,392
<b>TOTAL ASSETS</b>	<u>\$ 21,879,155</u>	<u>\$ 22,147,516</u>	<u>\$ 25,751,395</u>	<u>\$ 26,256,963</u>	<u>\$ 25,330,031</u>
<b>LIABILITIES</b>					
Accounts Payable	\$ 744,923	\$ 916,388	\$ 544,066	\$ 612,151	\$ 841,707
Accrued Payroll	3,113,766	3,170,965	3,550,909	3,731,016	3,820,607
Due to Other Funds	1,535,250	410,666	2,342,999	1,452,771	-
Other	301,832	335,980	362,191	597,833	309,791
<b>TOTAL LIABILITIES</b>	<u>5,695,771</u>	<u>4,833,999</u>	<u>6,800,165</u>	<u>6,393,771</u>	<u>4,972,105</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable Property Taxes	781,503	726,061	779,093	821,353	716,262
Unavailable Revenues	263,097	269,321	240,892	236,583	264,348
<b>TOTAL DEFERRED INFLOWS</b>	<u>1,044,600</u>	<u>995,382</u>	<u>1,019,985</u>	<u>1,057,936</u>	<u>980,610</u>
<b>FUND BALANCES</b>					
Nonspendable	491,791	388,484	298,971	209,647	767,170
Restricted	4,451,426	4,482,259	4,138,723	3,782,820	2,734,813
Assigned	1,525,233	1,130,790	1,700,864	3,324,678	3,445,194
Unassigned	8,670,334	10,316,602	11,792,687	11,488,111	12,430,139
<b>TOTAL FUND BALANCES</b>	<u>15,138,784</u>	<u>16,318,135</u>	<u>17,931,245</u>	<u>18,805,256</u>	<u>19,377,316</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>	<u>\$ 21,879,155</u>	<u>\$ 22,147,516</u>	<u>\$ 25,751,395</u>	<u>\$ 26,256,963</u>	<u>\$ 25,330,031</u>

NOTES: Prepared from Audited Financial Statements. Items may have been restated for comparative purposes.  
The Town has a fund balance policy. See "TOWN FINANCES – FUND BALANCE – GENERAL FUND" herein.

**Town of Brunswick, Maine**  
**Comparative Statements of Revenues, Expenditures and**  
**Changes in Fund Balances for the General Fund – GAAP Basis**  
**For the Years Ended June 30,**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<b>REVENUES</b>					
Taxes	\$ 40,582,907	\$ 42,531,410	\$ 44,215,165	\$ 45,343,860	\$ 47,471,712
Licenses, Fees & Permits	387,127	438,731	497,091	542,223	722,963
Intergovernmental	13,869,293	13,810,564	14,612,707	14,507,450	14,466,298
Charges for Services	1,405,404	1,495,659	1,470,469	1,569,433	1,617,504
Interest on Investments	10,156	37,482	146,700	339,454	425,712
Other	736,595	519,261	575,248	642,187	524,175
<b>TOTAL REVENUES</b>	<u>56,991,482</u>	<u>58,833,107</u>	<u>61,517,380</u>	<u>62,944,607</u>	<u>65,228,364</u>
<b>EXPENDITURES</b>					
General Government	3,517,191	3,548,096	3,724,978	3,646,187	3,797,725
Public Safety	8,295,800	8,372,964	8,560,448	8,811,980	9,160,603
Public Works	4,110,190	3,558,509	3,693,270	3,833,995	3,732,136
Human Services	171,606	176,406	139,921	163,348	202,823
Education	33,989,089	34,092,968	36,034,705	36,445,089	37,779,553
Recreation & Culture	2,669,911	2,650,179	2,771,480	3,017,995	3,083,440
Debt Service	2,744,750	2,696,785	2,373,601	2,536,928	2,628,705
County Tax	1,333,350	1,360,042	1,410,855	1,517,700	1,565,279
Unclassified	8,683	29,082	29,868	130,537	199,922
<b>TOTAL EXPENDITURES</b>	<u>56,840,570</u>	<u>56,485,031</u>	<u>58,739,126</u>	<u>60,103,759</u>	<u>62,150,186</u>
<b>OTHER SOURCES (USES)</b>					
Transfers In	1,052,000	620,942	514,000	506,389	600,000
Transfers Out	(1,189,360)	(1,789,667)	(1,679,144)	(2,473,226)	(3,106,118)
Sale of general capital assets	-	-	-	-	-
<b>TOTAL OTHER SOURCES (USES)</b>	<u>(137,360)</u>	<u>(1,168,725)</u>	<u>(1,165,144)</u>	<u>(1,966,837)</u>	<u>(2,506,118)</u>
<b>NET CHANGES IN</b>					
<b>FUND BALANCE</b>	<u>13,552</u>	<u>1,179,351</u>	<u>1,613,110</u>	<u>874,011</u>	<u>572,060</u>
<b>BEGINNING FUND BALANCE</b>	15,125,232	15,138,784	16,318,135	17,931,245	18,805,256
<b>ENDING FUND BALANCE</b>	<u>\$ 15,138,784</u>	<u>\$ 16,318,135</u>	<u>\$ 17,931,245</u>	<u>\$ 18,805,256</u>	<u>\$ 19,377,316</u>

NOTES: Prepared from Audited Financial Statements.

This statement is produced using generally accepted accounting principles (GAAP Basis). To reconcile the GAAP basis to the basis used for budget purposes (Budget Basis), it is necessary to subtract from the GAAP basis the amount the State of Maine contributes to the Maine Public Employees Retirement System (MainePERS) for employees enrolled in the MainePERS Teacher Retirement Plan. The amounts to be subtracted for the fiscal years ending June 30, 2019, 2018, 2017, 2016 and 2015 are \$2,821,269, \$2,507,000, \$2,213,000, \$2,025,000 and \$2,455,000, respectively.

The Town has a fund balance policy. See “TOWN FINANCES – FUND BALANCE – GENERAL FUND” herein.

## **PROPERTY TAXATION**

### **GENERAL**

The principal revenue source of the Town is the tax on real and personal property. A single tax applies for each fiscal year to the assessed value of the taxable real or personal property. The Town's tax collector receives the tax commitment from the town assessor, with assessed values as of April 1 of each year, after which time the tax bills are mailed. For fiscal 2019-20 personal property taxes were due by October 15, 2019. Real estate taxes are due in two installments with one-half due October 15, 2019 and one-half due April 15, 2020. All taxes paid after the due dates will be subject to interest at a rate established by the Town under Title 36, Section 505(4) of the Maine Revised Statutes, as amended, currently set by the Town at the rate of 9.0% per annum.

Maine law permits town's to levy taxes up to 105% of its net property tax requirement (budgeted expenditures less budgeted non-property tax revenues) for the related fiscal period. The amount raised in excess of 100% is referred to as overlay, and amounted to \$708,330 for the year ending June 30, 2020.

### **Real Estate Tax**

Collection of real estate taxes is ordinarily enforced in the Town by the "tax lien" procedure as provided in the Maine Revised Statutes, as amended, to the collection of delinquent real estate taxes. Real estate tax lien mortgages are recorded against the individual property at the County Registry of Deeds. This lien has priority over all mortgages, liens, attachments and encumbrances of any nature, subject to any paramount federal tax lien and subject to bankruptcy and insolvency laws. If the account is not satisfied within 18 months, the property becomes tax acquired and may be disposed of by the Town.

### **Business Personal Property Tax**

In accordance with Title 36, Chapter 105, Subchapter 4-C of the Maine Revised Statutes, as amended (the "BETE Act"), most types of tangible business personal property subject to an allowance for depreciation, and some specialty types of real property improvements, are exempt from personal property taxation. Municipalities receive State reimbursement for a portion of the lost property tax revenue under a program known as the Business Equipment Tax Exemption ("BETE"). In order for any personal property to be exempt from taxation, the property owner must file a complete list of that property with the municipal assessor by May 1 every year. If the owner fails to file for the exemption in a timely manner or fails to follow other statutory procedures in the legislation, the property in question is not exempt from taxation for that year.

The State reimburses municipalities with respect to the lost property taxes associated with the BETE exemption through one of two formulas, whichever is most beneficial to the municipality, as follows:

1. Basic reimbursement formula - For all municipalities in the first year after the exemption, and for a majority of the municipalities thereafter, the reimbursement would be 100% for the lost property taxes in the first tax year after the exemption takes effect (i.e., FY 2009), 90% in the second year after the exemption takes effect (i.e., FY 2010), 80% in FY 2011, 70% in 2012, 60% in 2013, and 50% in 2014 and every subsequent year. The State Constitution requires a minimum reimbursement of at least 50%.
2. Enhanced formula - Municipalities that have a total property tax base that is made up of at least 5% personal property will be eligible for an alternative reimbursement formula any year in which the alternative reimbursement formula provides a higher level of reimbursement than the basic

reimbursement formula. Those municipalities will be eligible to receive the 50% minimum reimbursement plus 50% of their tax base percentage that is made up of personal property. For example, if a town's tax base is 64% personal property, it would be eligible for a reimbursement rate of 82%, which is a combination of the minimum 50% reimbursement *plus* one-half of that municipality's 64% "personal property factor".

3. Municipal Retention TIF Districts – Certain TIF districts that were enacted prior to April 1, 2008 entitle a municipality to receive reimbursement at a rate of up to 100% for exempt business equipment that is TIF exempt business equipment as defined in Title 36, Section 691(1)(G) of the Maine Revised Statutes, as amended. The increased reimbursement percentage is based on the tax increment percentage allocated to the municipality, as provided in Title 36, Section 694(2)(C) of the Maine Revised Statutes, as amended.

For the purposes of identifying the municipality's valuation for determining the local property tax rate, the value of all property in the municipality made exempt by the BETE Act must be considered part of that municipality's local valuation to the extent the municipality is being reimbursed for its lost property taxes by the State other than property located in, and the assessed value of which is retained in, a tax increment financing district authorized prior to April 1, 2008.

<u>Fiscal Year</u> <u>ended June 30,</u>	<u>BETE</u> <u>Exempt Value</u>	<u>State</u> <u>Reimbursement</u>
2019	\$70,456,600	\$704,814
2018	57,403,800	556,479
2017	40,393,800	628,627
2016	37,686,900	565,974
2015	28,619,600	413,833

The value of all property in the municipality made exempt by the BETE Act will also be considered part of that municipality's equalized State Valuation to the extent the municipality is being reimbursed for its lost property taxes by the State with an additional adjustment for property in a tax increment financing district authorized prior to April 1, 2008.

#### **LARGEST TAXPAYERS**

<u>Taxpayer</u>	<u>Type of</u> <u>Business</u>	<u>Real</u> <u>Estate</u>	<u>Personal</u> <u>Property</u>	<u>As of April 1, 2018</u>		<u>% of</u> <u>Levy</u>
				<u>Assessed</u> <u>Total</u>	<u>Property</u> <u>Tax</u>	
Brookfield White Pine Hydro LLC	Utility	\$ 33,154,600	\$ -	\$ 33,154,600	\$ 655,135	1.42%
Bath Iron Works Corp	Shipbuilding	25,148,600	7,047,200	32,195,800	636,189	1.38%
MRRA	Development	30,212,512	3,300	30,215,812	597,064	1.30%
Central Maine Power	Utility	26,158,000	1,217,800	27,375,800	540,946	1.18%
Brunswick Landing Venture LLC	Housing	24,227,900	40,600	24,268,500	479,546	1.04%
Brunswick MZL LLC	Shopping Ctr	22,678,300	-	22,678,300	448,123	0.97%
Walmart RE Business Trust	Retail	17,842,600	3,722,800	21,565,400	426,132	0.93%
Maine Natural Gas	Utility	15,727,100	481,300	16,208,400	320,278	0.70%
Thornton Oaks Homeowners	Housing	14,893,700	267,100	15,160,800	299,577	0.65%
W/S Brunswick Properties	Shopping Ctr	13,640,100	-	13,640,100	269,528	0.59%
						10.16%

NOTE: Per the tax commitment on August 28, 2019, the total taxable assessed value of the Town was \$2,327,111,266, which includes \$118,982,473 of total taxable valuation in the Town's TIF Districts and excludes all exemptions.



## TAX COLLECTIONS

The following table displays tax levy and tax collection information for the Town for the last ten audited fiscal years and the current fiscal year.

<b>Fiscal Yr. End</b>	<b>State Valuation</b>	<b>Assessed Valuation</b>	<b>Tax Rate</b>	<b>Tax Levy</b>	<b>(after Supplements / Abatements)</b>		
<b>June 30,</b>	<b>(000)</b>	<b>(000)</b>	<b>(000)</b>	<b>(000)</b>	<b>Year End</b>	<b>% of Levy</b>	<b>% of Levy</b>
					<b>(000)</b>	<b>a/o 6/30/19</b>	
2020	\$2,319,900	\$2,304,034	\$19.72	\$45,436	-----In Process-----		
2019	2,252,400	2,276,234	18.92	43,066	\$42,467	97.67%	97.67%
2018	2,184,050	2,266,215	18.37	41,630	41,102	97.68	99.31
2017	2,082,600	1,382,600	29.35	40,579	40,117	97.60	99.95
2016	2,000,400	1,374,997	28.36	38,995	37,590	96.40	99.98
2015	2,026,250	1,359,621	27.40	37,254	35,856	96.25	99.99
2014	1,983,450	1,335,461	26.54	35,443	34,464	97.24	99.99
2013	2,028,050	1,337,807	24.90	33,311	32,321	97.03	99.99
2012	2,141,500	1,302,514	23.68	30,844	29,935	97.05	99.99
2011	2,204,800	1,278,493	22.87	29,239	28,529	97.57	99.99
2010	2,172,000	1,280,191	22.54	28,856	27,997	97.03	100.00
		<b>(Notes: 1,2&amp;3)</b>		<b>(Notes: 1&amp;2)</b>			

NOTES: <sup>(1)</sup> Information is for the General Fund and does not include TIF valuation, tax levy, or collections.

<sup>(2)</sup> Effective for the 2018-19 fiscal year, the State reimburses the Town for 62.5% of Homestead Exemptions provided to resident property taxpayers of the Town. In prior years the State reimbursed the Town for 50% of the taxes exempted through the Homestead Exemption program. The Town budgets the reimbursement as property tax revenue. The Assessed Valuation has been adjusted to add back a corresponding percentage of the Homestead Exemption value. The Gross Levy has also been adjusted to include the amount of tax reimbursement.

<sup>(3)</sup> Beginning with the fiscal year ended June 30, 2009, the State reimburses the Town for a percentage of the Business Equipment Tax Exemption. See "PROPERTY TAXATION – Business Personal Property Tax" herein. The Assessed Valuation and Gross Levy have been adjusted to add back the amount of exempt value and the taxes being reimbursed.

## TAX INCREMENT FINANCING DISTRICTS AND AFFORDABLE HOUSING DEVELOPMENT DISTRICTS

Chapter 206 and former 207 (now repealed) of Title 30-A of the Maine Revised Statutes, as amended, enables a municipality to finance qualified development by borrowing against the future increased property tax receipts attributable to that development. Under the statutory framework, the municipality designates a tax increment financing ("TIF") district or an affordable housing development district (a "housing district") and adopts a development program (the "Development Program") stating the means and objectives for the development of that district. The municipality may designate, or "capture", all or a portion of the increase in assessed value resulting from development within the district and dedicate the increased property taxes it receives in future years generated by the "captured" assessed value to payment of the costs of the Development Program, which may include debt service on borrowing to fund such costs.

TIF districts are subject to statutory limits on their size, including the following limitations: (a) the total area of a single district may not exceed 2% of the total acreage of the municipality, (b) the total area of all TIF districts or housing districts within a municipality each may not exceed 5% of the total acreage of the municipality, and (c) the aggregate original assessed value of property of all TIF districts and the aggregate original assessed value of property of all housing development districts within the municipality as of the April 1<sup>st</sup> preceding the date the Commissioner of the Department of Economic and Community

Development (“DECD”) or the Maine State Housing Authority (“MSHA”), as appropriate approves the designation of each such district, cannot each exceed 5% of the municipality’s total value of taxable property.

Excluded from the limitations is any district excluded from the calculation under former section 5253, subsection 1, paragraph C and any district that meets the following criteria:

- (1) The development program contains project costs, authorized by section 5225, subsection 1, paragraph A, that exceed \$10,000,000;
- (2) The geographic area consists entirely of contiguous property owned by a single taxpayer;
- (3) The assessed value exceeds 10% of the total value of taxable property within the municipality or plantation; and
- (4) The development program does not contain project costs authorized by section 5225, subsection 1, paragraph C.

The foregoing limitations do not apply to approved downtown TIF districts, TIF districts included within Pine Tree Development Zones, transit districts, or TIF districts that consist solely of one or more community wind power generation facilities owned by a community wind power generator that has been certified by the Public Utilities Commission pursuant to Title 35-A, Section 3403, Subsection 3 of Maine Revised Statutes, as amended.

The Seahawk (formerly Molnlycke) TIF District, the Brunswick Landing TIF District and the Brunswick Executive Airport TIF District are all exempt from the foregoing limitations because the entire military redevelopment zone was designated to be considered a Pine Tree Development Zone pursuant to Title 30-A, Section 5250-J(3-A) of Maine Revised Statutes, as amended. The Downtown Transit-Oriented TIF District is also exempt from the limitations, under the transit district qualification.

The new, or incremental, assessed valuation and related tax revenue in the TIF district is not available to the Town’s General Fund. The increase in assessed value captured by the municipality is excluded from the municipality’s equalized just value for each year’s State valuation filed with the Secretary of State in accordance with Title 36, Sections 208 and 305 of Maine Revised Statutes, as amended, and is therefore not included in calculating that municipality’s share of State educational aid, State municipal revenue sharing, the county tax or the 15% debt limitation for the municipality pursuant to Title 30-A, Section 5257 of the Maine Revised Statutes, as amended.

For the year ended June 30, 2020, the Town has a total of \$118,982,473 in captured valuation within five TIF districts. This includes \$5,299,200 of value captured in the Cook’s Corner Omnibus Municipal Development TIF District. This district was adopted during the 2017-18 fiscal year, and no incremental value was captured in the 2018-19 fiscal year. Of the other TIF districts, three are on the site of the former Brunswick Naval Air Station and one is the Downtown Development and Transit-Oriented TIF District. The tax revenue captured in these districts totals \$2,346,334 for the year.

In November, 2019, the Town Council and DECD approved an amendment to the Molnlycke TIF District: 1) to rename the District the Seahawk Omnibus Municipal Development and Tax Increment Financing District, 2) to add omnibus capacity to the District which allows for additional credit enhancement agreements to be used to attract new business and encourage business expansion, and 3) to authorize the Town Manager to enter into a new credit enhancement agreement (“CEA”) with Natural Selection Inc., DBA Wild Oats.

As described above, the Town’s districts do not exceed the statutory limitation of total area and aggregate equalized value within all districts, determined as of their date of designation. The Town has not designated and is not currently considering any affordable housing districts.

## REVENUES FROM THE STATE

The State provides aid to the Town in a number of areas including education, welfare assistance, road maintenance and revenue sharing. The amount of aid in each category is based upon a number of formulas, many of which contain variables that change annually. Further, most categories of State aid are governed by laws that may be changed by the State Legislature and are subject to appropriation by the State Legislature in its budgetary process.

In accordance with the provisions of applicable Maine law, the State subsidizes most local school administrative units. By law, Maine calculates and distributes State education aid to school units using a model referred to as Essential Programs and Services (“EPS”). All education subsidies, including subsidy for State approved debt service, flow through the EPS model. EPS utilizes a number of factors that are subject to change each year. In addition, the EPS model itself is subject to change by the Legislature. Furthermore, subsidies for school administrative units are an annual item in the State’s budgetary process and are subject to legislative appropriation in that process. No assurance can be given that future legislation will not have an adverse impact on school funding in Maine. Because of these uncertainties, it is not possible to predict the level of State subsidy to local units in future years or whether the State’s subsidy program will continue in its present form.

The following table displays State aid received by the Town for the last five audited fiscal periods:

<b><u>Yr. End</u></b> <b><u>June 30,</u></b>	<b><u>School</u></b> <b><u>Subsidy</u></b>	<b><u>Revenue</u></b> <b><u>Sharing</u></b>	<b><u>Homestead</u></b> <b><u>Reimbursement</u></b>	<b><u>Other</u></b> <b><u>State Aid</u></b>	<b><u>Total</u></b> <b><u>State Aid</u></b>
2019	\$9,973,197	\$1,258,491	\$1,052,581	\$3,154,278	\$15,438,547
2018	10,542,828	1,159,148	792,753	2,805,474	15,300,203
2017	10,976,255	1,122,790	670,521	2,494,494	15,264,060
2016	10,327,499	1,163,162	436,751	2,307,504	14,234,916
2015	9,961,610	1,047,789	424,496	2,735,438	14,169,333

### Recent Events Regarding State Aid

*School Subsidy* provides the bulk of Brunswick’s State aid, and there have been many changes to the appropriation formulas over the past several years. Though not all the changes to the EPS (as defined herein) model proposed by Governor LePage have been adopted in the final State biennial budgets, the Brunswick School Department has been faced with uncertainty during the past several budget cycles. The changes have included adjustments to the calculation of municipal valuations and pupil counts, and the exclusion of certain administrative costs from the EPS formula.

Beginning with the FY 14 budget, school units are now required to fund the normal cost of the Maine Public Employees Retirement System (“MainePERS”) Teacher Plan retirement. Though the State initially increased Aid to Education with this change, it can not be assumed that future increases in the normal cost will be covered by increases in State aid.

Beginning with the FY 19 budget, the state funding for Career and Technical Education (“CTE”) was made directly to the CTE Centers, rather than through the sending schools. This reduced the amount of state aid allocated to Brunswick by approximately \$770,000, but also reduced the amount Brunswick is responsible to pay to Maine Region 10 Technical High School (“MR10”) correspondingly.

The 2020-2021 State biennial budget, the first for Governor Mills, includes additional funding for education resulting in an estimated increase of nearly \$1.2 million, or 12.2%, in State education aid to Brunswick from the previous year. This increase includes grant funds approved by the State Legislature to provide start-up funding for new or expanded preschool classrooms. For the 2019-20 school year, the Brunswick

School Department provided preschool for the first time, adding one preschool classroom, and funding for this was included in the EPS formula. With the opening of the new elementary school in September, 2020, the School Department will increase its preschool capacity to four classrooms.

Historically *State Revenue Sharing* to municipalities has been distributed from a pool of funds comprised of roughly 5% of State sales and income taxes. As those State revenues increased or decreased, the pool to be distributed increased or decreased. Population and tax effort are the two major factors used in the formula that distributes State revenue sharing to municipalities. Brunswick's population loss, stemming from the closure of the Brunswick Naval Air Station, and as reflected in the 2010 census, negatively impacted its revenue sharing receipts.

Additionally, since 2010, the State has ordered transfers from the pool to the State's General Fund, thus reducing the amount to be distributed to municipalities. Beginning in FY 16 the State changed the annual transfer into the revenue sharing pool to 2% of State sales and income taxes, with the 5% allocation to resume in FY 20. With the adopted 2020-2021 biennial budget, the State's allocation to revenue sharing was increased, but only to 3.0% in FY 20 and 3.75% in FY 21. At these levels, the Town anticipates an increase of over \$500,000 from FY 19 to FY 20, and an additional increase of \$450,000 in FY 21. In FY 20, the State transfer to the pool of 3% of income and sales tax revenues is estimated at approximately \$106M, or \$70m

The Maine *Homestead Exemption* program is established through state law, and is administered locally. The State annually estimates State aid but actual payments may vary from the estimate. Since the beginning of the program, the State has frequently modified both the exemption amount and the amount it reimburses municipalities. Originally the exemption amount was \$10,000 and the State reimbursed municipalities for 100% of the property tax lost because of the exemption. Beginning in 2005, and through the 2015-16 fiscal year, the State changed the reimbursement to 50% of the property tax reduction. For the fiscal year ending June 30, 2017, the maximum amount of the exemption increased to \$15,000, and effective with the 2017-18 fiscal year, the exemption increased to \$20,000, with the reimbursement rate continuing at 50% for both years. For the 2018-19 fiscal year, the exemption remained at \$20,000, and the reimbursement rate increased to 62.5%. With the State 2020-2021 biennial budget, the homestead exemption to property taxpayers is proposed to increase to \$25,000, and the reimbursement to municipalities will increase to 70%.

Though the Homestead reimbursement amounts increased beginning in 2016-17, the Town estimates that the increases in exemption with no increase in reimbursement rate resulted in an annual reduction of over \$350,000 in net revenue received by the Town of Brunswick for two years. For 2018-19, with the State homestead exemption reimbursement rate increase to 62.5%, Brunswick received \$259,828 more reimbursement than in the 2017-18 fiscal year. With the changes proposed for the 2020-21 fiscal year, the increased exemption amount and increased reimbursement rate are expected to result in no change in net revenue for the Town.

For a discussion of the Town's response to state aid changes, see "TOWN FINANCES - BUDGETARY PROCESS - Budget Commentary".

### **School Construction Projects and State Subsidy**

In Maine, subsidized school construction projects must receive both local and State approval. To be eligible for State assistance (sometimes referred to as State subsidy), school units first submit projects for evaluation by the Maine DOE through the Major Capital School Construction program. DOE then ranks the projects and determines those that will be eligible for State subsidy based upon DOE's capacity to subsidize them. Projects approved for State subsidy then move to concept approval stage, where an initial project budget is established. The total budget is broken out into a "local only" portion, not eligible for State subsidy, and

the portion “eligible for State assistance.” A local referendum is then required. At the referendum, voters are asked to approve both the project and the bonds proposed to be issued to fund the project. The project then proceeds through final design. At the conclusion of this phase, the DOE issues a design and funding approval, after which the project is put out to bid. Once bids are received, the DOE and the school unit establish a final project budget and DOE issues its final funding approval.

School construction bonds are obligations of the local school unit and the State does not guarantee their repayment. The annual debt service on bonds issued to fund the portion of the project eligible for State subsidy is included in the State’s education subsidy model, currently referred to as the Essential Programs and Services (“EPS”) model. The debt service on bonds issued to fund the portion of project categorized as “local only” is not eligible for State subsidy and is not included in the debt service allocation of the EPS model. Under the current EPS model, eligible debt service is only one component of a school unit’s annual education subsidy. In order to receive full State subsidy, a local unit must raise its required local share as determined by the EPS model. The required local share is largely a calculation that uses a State mandated education mil rate and the school unit’s equalized property tax valuation.

The DOE determined that approximately 87% of the debt service on Brunswick’s 2010 elementary school project (the Harriet Beecher Stowe School) is eligible for subsidy and is included in the Town’s debt service allocation in the EPS model. Based on the current EPS model, and the current variables included in the EPS funding formula, Brunswick has received State subsidy equal to the entire amount deemed eligible for subsidy. However, it is important to note that the variables included in the EPS funding formula change from year to year. Further, the EPS funding model is, itself, subject to change by the State legislature. Finally, the State level of funding for EPS is subject to the State budget process. Therefore, while the Town continues to budget the 87% level of subsidy on the elementary school project debt service, no assurance can be given regarding the actual amount of future debt service subsidy it will receive.

In June, 2017, Brunswick voters authorized bonds for up to \$28,000,000 for the design and construction of a new elementary school at the site of the former Jordan Acres School. This project is entirely locally funded. The Brunswick School Department submitted an application to the DOE Major Capital School Construction program for major renovations or replacement of the Brunswick Junior High School, but when the results of the 2017-18 Rating Cycle were issued in August, 2018, Brunswick’s project was ranked 44<sup>th</sup> on the DOE’S final priority list of projects. The School Department is currently planning repairs to the Junior High School, to be scheduled through the Capital Improvement Program.

## **INDEBTEDNESS**

### **LIMITATIONS AND EXCLUSIONS**

In accordance with Title 30-A, Section 5702 of the Maine Revised Statutes, as amended, “No municipality shall incur debt which would cause its total debt outstanding at any time, exclusive of debt incurred for school purposes, for storm or sanitary sewer purposes, for energy facility purposes or for municipal airport purposes to exceed 7.5% of its last full State valuation, or any lower percentage or amount that a municipality may set. A municipality may incur debt for school purposes to an amount outstanding at any time not exceeding 10% of its last full State valuation, or any lower percentage or amount that a municipality may set, for storm and sewer purposes to an amount outstanding at any time not exceeding 7.5% of its last full State valuation, or any lower percentage or amount that a municipality may set, and for municipal airport and special district purposes to an amount outstanding at any time not exceeding 3% of its last full State valuation, or any lower percentage or amount that a municipality may set; provided, however, that in no event shall any municipality incur debt which would cause its total debt outstanding at any time to exceed 15% of its last full State valuation, or any lower percentage or amount that a municipality may set.”

Title 30-A, Section 5703 of the Maine Revised Statutes, as amended, provides that the limitations on municipal debt contained in Section 5702 do not apply "... to any funds received in trust by any municipality, any loan which has been funded or refunded, notes issued in anticipation of federal or State aid or revenue sharing money, tax anticipation loans, notes maturing in the current municipal year, indebtedness of entities other than municipalities, indebtedness of any municipality to the Maine School Building Authority, debt issued under Chapter 235 and Title 10, chapter 110, subchapter IV, obligations payable from revenues of the current municipal year or from other revenues previously appropriated by or committed to the municipality, and the State reimbursable portion of school debt."

The Town of Brunswick's 2019 equalized State valuation ("Equalized State Valuation") for use in the fiscal year ended June 30, 2019 was \$2,319,900,000 making the 15% debt limit \$347,985,000.

## DEBT SUMMARY

General obligation debt payable at fiscal year-end June 30, 2019 (audited) and projected for fiscal year-end June 30, 2020 (projected), are comprised of the following individual issues:

<u>Year Issued</u>	<u>Purpose</u>	<u>Authorized and Issued</u>	<u>Final Maturity</u>	<u>Balance as of June 30,</u>	
				<u>2019</u>	<u>2020</u>
2006	Capital Improvements	\$ 3,125,000	11/01/20	\$ 400,000	\$ 200,000
2010	Elementary School (BABs) <sup>(1)</sup>	21,462,250	11/01/30	12,877,350	11,804,237
2011	Capital Improvements	4,120,000	11/01/20	540,000	270,000
2013	Police Station	5,500,000	11/01/32	3,850,000	3,575,000
2016	School Renovation (SRRF) <sup>(2)</sup>	655,781	09/01/26	501,208	438,557
2017	School Renovation (SRRF) <sup>(2)</sup>	64,086	09/01/22	29,271	19,514
2017	Capital Improvements	1,781,000	11/01/32	1,525,000	1,325,000
<b>Sub-total June 30, 2019</b>				<b>\$ 19,722,829</b>	<b>\$ 17,632,308</b>
2020	Elementary School	26,250,000	11/01/44	-	26,250,000
<b>Projected Total June 30, 2020</b>				<b>\$ 19,722,829</b>	<b>\$ 43,882,308</b>

NOTES: <sup>(1)</sup> A portion of the Town's \$21,462,250 school construction bonds were issued in 2010 with MMBB, taxable Build America Bonds ("BABs"). "Total Budgeted Debt Service" is net of the BABs subsidy the Town anticipates MMBB will file for and receive. The Town is responsible for the full payment whether the subsidy is received in full, or reduced to a lesser amount by Federal sequestration reduced the BABs subsidy by approximately 6.2% in the fiscal year ended June 30, 2019. For future years the reduction is estimated to be approximately 6.2% of the subsidy.

<sup>(2)</sup> Indicates State Revolving Renovation Fund Program (the "SRRF") administered jointly by the MMBB and the State of Maine, acting by and through its DEP. For the 2016 SRRF, an amount of \$408,971 of the original funding was forgiven, with the remainder to be paid in ten annual installments at 0% interest. For the 2017 SRRF, \$42,298 was forgiven, with the remainder to be paid in five annual installments at 0% interest. The amounts listed here as Authorized and Issued represent the totals the Town is obligated to pay.

## PROJECTED ANNUAL PRINCIPAL PAYMENTS BY ISSUE

<b>Yr. End</b>	<b>Issued prior to June 30, 2019</b>					<b>2017</b>	<b>As of</b>	<b>2020</b>	<b>Total</b>
<b>June 30,</b>	<b>2006</b>	<b>2010</b>	<b>2011</b>	<b>2013</b>	<b>SRRF</b>	<b>Bonds</b>	<b>6/30/19</b>	<b>Bonds</b>	<b>Debt</b>
2020	\$200,000	\$1,073,112	\$270,000	\$275,000	\$72,408	\$200,000	\$2,090,520	\$0	\$2,090,520
2021	200,000	1,073,113	270,000	275,000	72,408	200,000	2,090,521	675,000	2,765,521
2022	-	1,073,112	-	275,000	72,408	200,000	1,620,520	885,000	2,505,520
2023	-	1,073,113	-	275,000	62,651	200,000	1,610,764	905,000	2,515,764
2024	-	1,073,112	-	275,000	62,651	120,000	1,530,763	930,000	2,460,763
2025	-	1,073,113	-	275,000	62,651	120,000	1,530,764	950,000	2,480,764
2026	-	1,073,112	-	275,000	62,651	120,000	1,530,763	975,000	2,505,763
2027	-	1,073,113	-	275,000	62,651	120,000	1,530,764	1,000,000	2,530,764
2028	-	1,073,112	-	275,000	-	65,000	1,413,112	1,025,000	2,438,112
2029	-	1,073,113	-	275,000	-	35,000	1,383,113	1,050,000	2,433,113
2030	-	1,073,112	-	275,000	-	35,000	1,383,112	1,075,000	2,458,112
2031	-	1,073,113	-	275,000	-	35,000	1,383,113	1,105,000	2,488,113
2032	-	-	-	275,000	-	35,000	310,000	1,135,000	1,445,000
2033	-	-	-	275,000	-	40,000	315,000	1,155,000	1,470,000
2034	-	-	-	-	-	-	-	1,180,000	1,180,000
2035	-	-	-	-	-	-	-	1,205,000	1,205,000
2036	-	-	-	-	-	-	-	1,100,000	1,100,000
2037	-	-	-	-	-	-	-	1,100,000	1,100,000
2038	-	-	-	-	-	-	-	1,100,000	1,100,000
2039	-	-	-	-	-	-	-	1,100,000	1,100,000
2040	-	-	-	-	-	-	-	1,100,000	1,100,000
2041	-	-	-	-	-	-	-	1,100,000	1,100,000
2042	-	-	-	-	-	-	-	1,100,000	1,100,000
2043	-	-	-	-	-	-	-	1,100,000	1,100,000
2044	-	-	-	-	-	-	-	1,100,000	1,100,000
2045	-	-	-	-	-	-	-	1,100,000	1,100,000
6/30/19	\$400,000	\$12,877,350	\$540,000	\$3,850,000	\$530,479	\$1,525,000	\$19,722,829	\$26,250,000	\$45,972,829
Payments	(200,000)	(1,073,112)	(270,000)	(275,000)	(72,408)	(200,000)	(2,090,520)	-	(2,090,520)
6/30/20	\$200,000	\$11,804,238	\$270,000	\$3,575,000	\$458,071	\$1,325,000	\$17,632,309	\$26,250,000	\$43,882,309

## DEBT SERVICE COMPONENT OF BUDGETED EXPENDITURES

	<b><u>2016</u></b>	<b><u>2017</u></b>	<b><u>2018</u></b>	<b><u>2019</u></b>	<b><u>2020</u></b>
Total Budgeted Debt Service	\$2,779,760	\$2,459,022	\$2,613,101	\$2,704,655	\$2,630,751
(less Enterprise Debt)	-	-	-	-	-
(less TIF Paid Debt)	(82,060)	(80,315)	(76,245)	(74,175)	(72,105)
(less School Debt Service Subsidy) <sup>(1)</sup>	<u>(1,340,251)</u>	<u>(1,323,889)</u>	<u>(1,305,329)</u>	<u>(1,283,224)</u>	<u>(1,262,480)</u>
Net Tax-backed Debt Service	\$1,357,449	\$1,054,818	\$1,231,527	\$1,347,256	\$1,296,166
Budgeted Operating Expenditure	\$59,596,486	\$61,475,961	\$62,425,885	\$63,986,336	\$67,929,606
Debt Service as % of Expenditures	4.66%	4.00%	4.19%	4.23%	3.87%
Net Debt Service as % of Expenditure	2.28%	1.72%	1.97%	2.11%	1.91%

NOTE: <sup>(1)</sup> "School Debt Service Subsidy" is an estimate based on the current State law governing school funding, and debt service subsidy on school construction projects. See "REVENUES FROM THE STATE – School Construction Projects and State Subsidy" herein for a detailed an explanation of School Debt Service Subsidy.

## PROJECTED DEBT SERVICE

Fiscal Yr End June 30,	Prior Debt					Projected Debt (The Bonds) (Pro Forma)			Projected
	Annual Principal	Annual Interest	Annual Total	BABs Subsidy (1)	Sub-total Debt Service	Principal	Interest	Total	Total Debt Service
2020	\$2,090,520	\$712,594	\$2,803,114	(\$174,409)	\$2,628,705	\$0	\$0	\$0	\$2,628,705
2021	2,090,521	647,929	2,738,450	(162,195)	2,576,255	675,000	784,414	1,459,414	4,035,669
2022	1,620,520	589,991	2,210,511	(149,628)	2,060,883	885,000	604,938	1,489,938	3,550,821
2023	1,610,764	538,150	2,148,914	(136,533)	2,012,381	905,000	582,562	1,487,562	3,499,943
2024	1,530,763	485,277	2,016,040	(123,086)	1,892,954	930,000	559,625	1,489,625	3,382,579
2025	1,530,764	431,124	1,961,888	(109,198)	1,852,690	950,000	536,125	1,486,125	3,338,815
2026	1,530,763	374,965	1,905,728	(94,870)	1,810,858	975,000	512,062	1,487,062	3,297,920
2027	1,530,764	313,267	1,844,031	(78,856)	1,765,175	1,000,000	487,375	1,487,375	3,252,550
2028	1,413,112	247,415	1,660,527	(61,333)	1,599,194	1,025,000	462,063	1,487,063	3,086,257
2029	1,383,113	182,553	1,565,666	(43,809)	1,521,857	1,050,000	436,125	1,486,125	3,007,982
2030	1,383,112	118,179	1,501,291	(26,285)	1,475,006	1,075,000	409,562	1,484,562	2,959,568
2031	1,383,113	53,590	1,436,703	(8,762)	1,427,941	1,105,000	382,313	1,487,313	2,915,254
2032	310,000	16,106	326,106	-	326,106	1,135,000	357,150	1,492,150	1,818,256
2033	315,000	5,513	320,513	-	320,513	1,155,000	334,250	1,489,250	1,809,763
2034	-	-	-	-	-	1,180,000	310,900	1,490,900	1,490,900
2035	-	-	-	-	-	1,205,000	287,050	1,492,050	1,492,050
2036	-	-	-	-	-	1,100,000	264,000	1,364,000	1,364,000
2037	-	-	-	-	-	1,100,000	239,250	1,339,250	1,339,250
2038	-	-	-	-	-	1,100,000	211,750	1,311,750	1,311,750
2039	-	-	-	-	-	1,100,000	184,250	1,284,250	1,284,250
2040	-	-	-	-	-	1,100,000	156,750	1,256,750	1,256,750
2041	-	-	-	-	-	1,100,000	129,250	1,229,250	1,229,250
2042	-	-	-	-	-	1,100,000	101,750	1,201,750	1,201,750
2043	-	-	-	-	-	1,100,000	74,250	1,174,250	1,174,250
2044	-	-	-	-	-	1,100,000	45,375	1,145,375	1,145,375
2045	-	-	-	-	-	1,100,000	15,125	1,115,125	1,115,125
	<u>\$19,722,829</u>	<u>\$4,716,653</u>	<u>\$24,439,482</u>	<u>(\$1,168,964)</u>	<u>\$23,270,518</u>	<u>\$26,250,000</u>	<u>\$8,468,264</u>	<u>\$34,718,264</u>	<u>\$57,988,782</u>

## DEBT RATIOS

The following table sets forth the ratio of bonded debt to equalized State Valuation and per capita debt ratios for the end of the ten most recent fiscal years (2020 projected):

Fiscal Yr. End June 30,	Population	Equalized State Val. (000)	Assessed Valuation <sup>(1)</sup> (000)	Total Debt <sup>(2)</sup> (000)	Debt as % Eq. Val	Per Capita <sup>(2)</sup> Debt
2020	20,278	\$2,319,900	\$2,304,034	\$43,882	1.89%	\$2,164.02
2019	20,278	2,252,400	2,276,234	19,723	0.88%	972.63
2018	20,278	2,184,050	2,266,215	21,836	1.00%	1,076.83
2017	20,278	2,082,600	1,382,600	23,944	1.15%	1,180.79
2016	20,278	2,000,400	1,374,997	23,122	1.16%	1,140.25
2015	20,278	2,026,250	1,359,621	25,220	1.24%	1,243.71
2014	20,278	1,983,450	1,335,461	27,323	1.38%	1,347.42
2013	20,278	2,028,050	1,337,807	30,211	1.49%	1,489.84
2012	20,278	2,141,500	1,302,514	27,439	1.28%	1,353.14
2011	20,278	2,204,800	1,278,493	30,177	1.37%	1,488.16
2010	21,172	2,172,000	1,280,191	5,715	0.26%	269.93

NOTES: <sup>(1)</sup> Valuation has been adjusted to add back 50% of Homestead Exemption and BETE values. Valuation excludes value in TIF Districts.

<sup>(2)</sup> Total debt and per capita debt as of June 30, 2020 is projected.



## **OVERLAPPING DEBT**

### **County of Cumberland**

The Town is subject to an annual assessment of its proportional share of the County of Cumberland's expenses, including debt repayment, as determined by the percentage of the Town's equalized State Valuation to the County's equalized State Valuation. At June 30, 2019 the Town's equalized State Valuation of \$2,319,900,000 was 4.95% of the County's equalized State Valuation of \$46,892,350,000. The Town's share was 4.95%, or \$1,874,726 of the County's \$37,893,997 debt obligations outstanding as of June 30, 2019.

### **Maine Region 10 Technical High School**

The Town of Brunswick is a participant along with the Regional School Unit 5 (RSU 5) and Regional School Unit 75 (RSU 75) in a joint venture to operate Maine Region 10 Technical High School (MR10). MR10 was established by a cooperative agreement pursuant to Maine law to deliver a program of vocational education to students of the member units. As of June 30, 2019, MR10 held no outstanding debt obligations. Should MR10 authorize and issue debt in the future, the Town of Brunswick's share of MR10's debt is 38.29%. See "PUBLIC EDUCATION – Maine Region 10 Technical High School" for additional information.

## **CONTINGENT DEBT**

The Town has no debt or obligations for which it is responsible for on a Contingent Basis.

## **FUTURE FINANCING**

On July 17, 2017, the Town Council adopted "An Ordinance Authorizing the Funding and Acquisition of a New Fire Engine, With Total Project Costs Not to Exceed \$650,000 (plus any other costs authorized hereunder), and Further Authorizing Issuance of Bonds and Notes in an Amount not to Exceed \$650,000 (plus cost of issuance), plus any Additional Appropriation Authorized Hereunder." The fire engine was ordered in October, 2017 and delivered in October, 2018, with the total cost to put the engine in service totaling \$636,710. The ordinance as adopted provided for the advance of funds from the general fund to a capital fund, and the engine was purchased with such an advance. On May 13, 2019 the Town Council appropriated \$240,000 in TIF revenues from the Brunswick Landing and Brunswick Executive Airport TIF Districts to repay the advance, and intends to repay the balance of the advance with future TIF revenue appropriations. As of June 30, 2019, the Town Treasurer declared the bond authorization abandoned.

On March 19, 2018, the Town Council adopted "An Ordinance Authorizing the Planning, Construction and Funding of a New Connector Road at Cooks Corner Between Admiral Fitch Avenue and Gurnet Road, with Total Project Costs Not to Exceed \$2,550,000 (plus any other costs authorized hereunder), and Further Authorizing Issuance of Bonds and Notes in an Amount not to Exceed \$1,200,000 (plus cost of issuance), plus any Additional Appropriation Authorized Hereunder." Construction began in September, 2018, and Landing Drive was opened in September, 2019. On May 13, 2019 the Town Council appropriated \$560,000 in TIF revenues for the project, leaving approximately \$625,000 which could be funded through the issuance of debt. TIF revenues from the Cook's Corner TIF District or the Brunswick Landing and Brunswick Executive Airport TIF Districts may be used to pay the debt service, or to fund the project directly over several years.

On April 1, 2019, the Town Council adopted "An Ordinance Authorizing The Purchase of Property For And Construction Of A New Central Fire Station With Total Project Costs Of Up To \$13,500,000, And the

Issuance of Bonds of Up To \$13,500,000.” The current Central Fire Station was built in 1919, with an addition constructed in 1966. Since 2000, numerous structural deficiencies of the building have been identified, and at 9,100 square feet, the capacity of the facility is inadequate for fire service operations. Of particular concern is that the department’s ladder truck must be garaged at Emerson Station, several miles from the downtown area where it is most used. Additionally, increased business activity and parking around the station have made the location problematic. A Task Force was formed in 2017 to conduct a programmatic analysis, site evaluation and preliminary design. The preferred site is on the corner of Pleasant Street and Webster Street, with access to downtown areas and improved access to west Brunswick. The Town has acquired three of the eight parcels, and is currently in negotiations for the remaining five. It is anticipated that construction could begin as early as May, 2020, with completion in 2021. The Town is authorized to advance funds from the general fund to the project, and under this schedule bonds would likely be issued in the spring of 2021.

Readers are encouraged to read the remainder of this document including the section “TOWN FINANCES – CAPITAL IMPROVEMENT PROGRAM.” The Capital Improvement Program (“CIP”) of the Town contemplates a number of projects which, if undertaken, are planned to be funded with long-term debt. However, the CIP does not authorize the issuance of debt. Debt issuance is subject to the prior review and approval of a Bond Ordinance by the Town Council. Debt related to State subsidized school construction projects requires the approval of the voters in a local referendum. The Town Council may choose to send bond approval to voters in a local referendum even when not required to do so by State statute.

## **RETIREMENT**

### **DEFINED BENEFIT PENSION PLANS**

*Plan descriptions:* For its participating municipal employees and certain participating School Department employees, the Town of Brunswick contributes to the Consolidated Plan for Participating Local Districts (the “PLD Plan”) a cost-sharing multiple-employer, defined benefit pension plan administered by the MainePERS. Teachers and certain other School Department employees also participate in MainePERS through the State Employee and Teacher Plan (the “SET Plan”), a cost-sharing multiple-employer, defined benefit pension plan with a special funding situation established by the Maine Legislature.

The MainePERS is established and administered under Maine law, and the authority to establish and amend benefit provisions rests with the State legislature. The MainePERS issues a publicly available financial report which may be obtained by writing the Maine Public Employees Retirement System, 46 State House Station, Augusta, ME 04333-0046 or at [www.maineopers.org](http://www.maineopers.org).

The Town reports on the benefits provided and the contributions to the pension plans, associated pension liabilities, pension expense, deferred outflows and deferred inflows of resources related to pensions, as well as the actuarial methodology and assumptions in its Comprehensive Annual Financial Report (CAFR). Please see “APPENDIX A – TOWN OF BRUNSWICK, MAINE, COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2019”, pages 66-70 herein.

### **DEFERRED COMPENSATION PLAN**

The Town offers its non-school employees a deferred compensation plan (the “Plan”), created in accordance with Internal Revenue Code Section 457. The Plan, available to all non-school employees, permits the employees to defer a portion of their salary until future years. All assets and income of the Plan are held in trust for the exclusive benefit of the participants and their beneficiaries. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

## **OTHER RETIREMENT**

Most municipal and some school employees participate in the Social Security Retirement Program (“FICA”). The Town and the School department contribute to FICA. The School Department also offers its employees a variety of tax-sheltered annuity plans. The School Department makes no contributions to these plans.

## **OTHER POST EMPLOYMENT BENEFITS**

*Plan Descriptions:* The Town sponsors two post-retirement benefit plans providing group term life insurance to retiring employees. For municipal employees and certain School Department employees the Town contributes to the Group Life Insurance Plan for Participating Local District (PLD). Teachers also participate in the Group Term Life Insurance Plan for State Employees and Teachers (SET). Both plans are a cost-sharing multiple-employer defined benefit OPEB plan administered by the Maine Public Employees Retirement System (MainePERS). The MainePERS Board of Trustees has the authority to establish and amend the benefit terms and financing requirements for each plan. MainePERS issues a publicly available financial report, available at [www.mainebers.org](http://www.mainebers.org).

Additionally, the Town offers two post-retirement benefit plans providing health insurance to retiring employees. For municipal employees, the Town sponsors a single-employer defined benefit OPEB plan administered by the Maine Municipal Employees Health Trust (hereafter referred to as the MMEHT Health Plan). The Town Council has the authority to establish and amend the benefit terms and financing requirements. No assets are accumulated in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.

For school department personnel, the State sponsors a post-retirement benefit plan providing health insurance to retiring employees. The plan is a single-employer defined benefit OPEB plan administered by the Maine Education Association Benefits Trust (hereafter referred to as MEABT Health Plan). The State Legislature has the authority to establish and amend the benefit terms and financing requirements. No assets are accumulated in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.

The Town reports on the benefits provided and the contributions to the OPEB plans, associated OPEB liabilities, OPEB expense, deferred outflows and deferred inflows of resources related to OPEB, as well as the actuarial methodology and assumptions in its Comprehensive Annual Financial Report (CAFR). Please see “APPENDIX A – TOWN OF BRUNSWICK, MAINE, COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2019”, pages 70-76 herein.

## **ENVIRONMENTAL MATTERS**

The Town is subject to a wide variety of federal and State laws and regulations relating to land use, water resources, sewage disposal, the use, storage, discharge, emission and disposal of wastes and other environmental matters.

The landfill operates under strict environmental regulations and its operation is dependent on continued compliance with existing and future regulations. The facility’s wastewater discharge license was renewed in August 2011. For several years, the Town has worked with the Maine DEP to comply with, or seek waivers from, certain discharge parameters set by the United States Environmental Protection Agency (“EPA”). Based on an experimental treatment program in constructed in late 2012, ongoing discussions with DEP, and reports from the engineering consultant, the Town has concluded that treatment options to meet the discharge parameters would be cost prohibitive.

In 2014, while the Town was working on resolving issues with its wastewater license, the Maine DEP Bureau of Remediation and Waste Management notified the Town of concerns about groundwater contamination trends at the landfill. The recorded trends make the Town eligible for landfill closure funding from the State's Landfill Closure and Remediation Program. In October 2016, DEP indicated that provided the Town complies with the requirements for closure to be outlined in a Schedule of Closure ("SOC"), the Town will be eligible for a 75% cost share of closure costs. However, reimbursement depends upon the availability of funds in the Program. Based on its collaboration with DEP, the cost of wastewater and groundwater treatment options, and other factors, the Town is actively pursuing the plan to close the landfill, and finalized an SOC with DEP in June, 2017, with closure scheduled for 2021. In December, 2017, the Town Council decided to maximize use of the available space in the landfill through acceptance of waste from out-of-town sources. The Town has negotiated an agreement with Pine Tree Waste haulers to accept an additional 20,000 tons per year, and this combined with the Town's regular tonnage, is predicted to fill the available capacity by April 2021.

While the Town faces potential fines for its failure to comply with wastewater discharge limits and other violations, the scale of the fines is not expected to be significant. Please see "APPENDIX A – TOWN OF BRUNSWICK, MAINE, COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2019", pages 76-77 herein.

With the possible exception of its solid waste landfill, the Town believes that its properties and operations are presently in material compliance with all land use and environmental laws that, failure to comply with such laws, could result in the imposition of severe penalties on operations by government agencies or courts that could adversely affect the Town. The Town is not aware of any other environmental conditions or non-compliance, the remediation or correction of which the Town believes would have a material adverse impact on the financial condition of the Town. The Town is not subject to any pending or threatened proceedings or actions involving environmental matters that, if adversely decided, would have a material adverse impact upon the Town's financial condition or ability to pay debt service on the Bonds as and when due.

## **LITIGATION**

There are various claims and suits pending against the Town that arise in the normal course of the Town's activities. In the opinion of Town officials there is no litigation pending against the Town which, either individually or in the aggregate, would result in judgments that would have a materially adverse effect on the Town's financial position or its ability to meet its debt service obligations.

**APPENDIX A**

**TOWN OF BRUNSWICK, MAINE  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE  
YEAR ENDED JUNE 30, 2019  
(With Report of Independent Auditors' Thereon)**

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## **APPENDIX B**

### **PROPOSED FORM OF LEGAL OPINION**

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**APPENDIX C**

**PROPOSED FORM  
OF  
CONTINUING DISCLOSURE AGREEMENT**

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**TOWN OF BRUNSWICK, MAINE  
PROPOSED FORM OF  
CONTINUING DISCLOSURE AGREEMENT**

In connection with the issuance by the Town of Brunswick, Maine (the “Issuer”) of its \$\_\_\_\_\_,000 2020 General Obligation Bonds, dated as of \_\_\_\_\_ (the “Bonds”) and with reference to the continuing disclosure requirements of Rule 15c2-12 under the Securities and Exchange Act of 1934, as amended, and officially interpreted from time to time (the “Rule”), the Issuer hereby covenants under this Continuing Disclosure Agreement (the “Agreement”) that it will engage in the undertakings described in Section 1, 2 and 3 herein for the benefit of the beneficial owners of the Bonds, subject to the conditions and limitations specified herein. Under the Agreement, the Issuer is obligated to provide certain updated financial information and operating data annually, and timely notice of specified material events, to the MSRB (defined below). This information will be available from the MSRB via the Electronic Municipal Market Access (“EMMA”) system at [www.emma.msrb.org](http://www.emma.msrb.org). The Issuer reserves the right to incorporate by reference its Official Statement dated January \_\_, 2020 relating to the Bonds (the “Official Statement”), which will be submitted to the MSRB, as hereinafter defined, at the time of delivery of the Bonds, in any future disclosure provided hereunder.

In addition to the definitions set forth above in the undertaking, which apply to any capitalized term used in this Agreement unless otherwise defined, if used the following capitalized terms shall have the following meanings:

“Annual Financial Information” shall mean the financial information or operating data of the type included in the final Official Statement, provided at least annually by the Issuer pursuant to, and as described in, Sections 1 of this Agreement.

“Beneficial Owner” shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

“Business Day” shall mean a day other than a Saturday or a Sunday or a day on which banks in Maine are authorized or required by law to close.

“Dissemination Agent” shall mean the Issuer or any Dissemination Agent designated in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation.

“Financial Obligation” shall mean a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “Financial Obligation” does not include municipal securities as to which a final official statement has been provided to the MSRB consistent with SEC Rule 15c2-12.

“Holders” shall mean the registered Holders of the Bonds, as recorded in the registration books of the Registrar.

“Municipal Securities Rulemaking Board” or “MSRB” shall mean the Municipal Securities Rulemaking Board, established under the Securities and Exchange Act of 1934, as amended, or any successor thereto, with an address of 1300 I Street NW, Suite 1000, Washington, DC 20005.

“State” shall mean the State of Maine.

1. The Issuer will provide to the MSRB: (a) not later than 270 days after the end of each fiscal year, commencing with the fiscal year ending June 30, 2020, certain updated Annual Financial Information and operating data relating to the Issuer for the preceding fiscal year of the type presented in the Official Statement prepared in connection with the Bonds under the headings “TOWN FINANCES,” “INDEBTEDNESS,” “RETIREMENT” and in APPENDIX A to the Official Statement and such other

Annual Financial Information and operating data as may be required to comply with the Rule; and (b) the updated information discussed in clause (a) above will include audited financial statements, if the Issuer commissions an audit and it is completed by the required time. If audited financial statements are not available by the required time, the Issuer will provide audited financial statements when and if such audited financial statements become available. Such filings, if not completed by the required time in clause (a) above, but if filed when available, will not be deemed to be a “late filing”. Any such financial statements will be prepared in accordance with the accounting principles described in APPENDIX A to the Official Statement or such other accounting principles as the Issuer may be required to employ from time to time pursuant to State law or regulation.

The Issuer reserves the right to modify from time to time the specific types of information provided under clause (a) above or the format of the presentation of such information to reflect changed circumstances, provided that any such modification will be done in a manner consistent with the Rule.

2. The Issuer will provide in a timely manner, not in excess of ten (10) Business Days, after the occurrence of an event listed in this Section 2 to the MSRB through EMMA (in an electronic format as prescribed by the MSRB) notice of the occurrence of any of the following events with respect to the Bonds.

(a) Certain events whether material or not material:

- (1) Principal and interest payment delinquencies;
- (2) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (3) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (4) Substitution of credit or liquidity providers, or their failure to perform;
- (5) Adverse tax opinions or events affecting the tax-exempt status of the Bonds, the issuance by the Internal Revenue Service of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (6) Tender offers;
- (7) Defeasances;
- (8) Rating changes;
- (9) Bankruptcy, insolvency, receivership or similar event of the Issuer (Note: For the purposes of the event identified in Section 1, the event is considered to occur when any of the following occur: The appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.);or
- (10) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of any Financial Obligation of the Issuer or obligated person, any of which reflect financial difficulties

(b) Certain events if material:

- (1) Non-payment related defaults;
- (2) Modifications to the rights of Holders of the Bonds;
- (3) Bond calls;
- (4) The release, substitution, or sale of property securing repayment of the Bonds;
- (5) The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business,

- the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms;
- (6) Appointment of a successor or additional trustee or the change of name of a trustee; and
  - (7) Incurrence of a Financial Obligation of the Issuer or obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer or obligated person, any of which affect security Holders, if material.

The Issuer from time to time may choose to provide notice of the occurrence of certain other events, in addition to those listed above, but the Issuer does not undertake to commit to provide any such notice of the occurrence of any material event except those listed above.

- 3. The Issuer will provide in a timely manner to the MSRB notice of a failure to satisfy the requirements of Section 1 herein.
- 4. The intent of the Issuer's undertaking in this Agreement is to provide on a continuing basis the information described in the Rule. The provisions of the Agreement may be amended by the Issuer without the consent of, or notice to, any Beneficial Owners of the Bonds, (a) to comply with or conform to the provisions of the Rule or any amendments thereto or authoritative interpretations thereof by the Securities and Exchange Commission ("SEC") or its staff (whether required or optional), (b) to add a Dissemination Agent for the information required to be provided by such undertakings and to make any necessary or desirable provisions with respect thereto, (c) to add to the covenants of the Issuer for the benefit of the Beneficial Owners of the Bonds, (d) to modify the contents, presentation and format of the Annual Financial Information from time to time as a result of a change in circumstances that arises from a change in legal requirements, or (e) to otherwise modify the undertakings in a manner consistent with the requirements of the Rule concerning continuing disclosure; provided, however, that in the case of any amendment pursuant to clause (d) or (e), (i) the undertaking, as amended, would have complied with the requirements of the Rule at the time of the offering of the Bonds, after taking into account any amendments or authoritative interpretations of the Rule, as well as any change in circumstances, and (ii) the amendment does not materially impair the interests of the Beneficial Owners of the Bonds, as determined either by a party unaffiliated with the Issuer (such as bond counsel), or by the vote or consent of Beneficial Owners of a majority in outstanding principal amount of the Bonds affected thereby at or prior to the time of such amendment.

Furthermore, the Issuer's obligations under this Agreement shall terminate upon the legal defeasance, prior redemption or payment of in full of all of the Bonds or to the extent that the Rule, as in effect from time to time, no longer requires the issuers of municipal securities to provide all or any portion of the information the Issuer has agreed to provide pursuant to the Agreement, the obligation of the Issuer to provide such information also shall cease immediately.

- 5. The purpose of the Issuer's undertaking is to conform to the requirements of the Rule and, except for creating the right on the part of the Beneficial Owners of the Bonds, from time to time, to specifically enforce the Issuer's obligations hereunder, not to create new contractual or other rights for any Beneficial Owner of the Bonds, any municipal securities broker or dealer, any potential purchaser of the Bonds, the SEC or any other person. The sole remedy in the event of any actual or alleged failure by the Issuer to comply with any provision herein shall be an action for the specific performance of the Issuer's obligations hereunder and not for money damages in any amount. Any failure by the Issuer to comply with any provision of this undertaking shall not constitute an event of default with respect to the Bonds.
- 6. Except as disclosed in its Official Statement, the Issuer has never failed to comply in all material respects with any previous undertakings to provide Annual Financial Information or notices of material events in accordance with the Rule.

The Issuer's Treasurer, or such official's designee from time to time, shall be the contact person on

behalf of the Issuer from whom the foregoing information, data and notices may be obtained. The name, address and telephone number of the initial contact person is: Julia A.C Henze, Treasurer, Town of Brunswick, 85 Union Street, Brunswick, ME 04011; Telephone: (207) 725-6652; email jhenze@brunswickme.org.

Dated: \_\_\_\_\_, 20\_\_

TOWN OF BRUNSWICK, MAINE

By: \_\_\_\_\_  
Its: \_\_\_\_\_