

Town of Brookline
Advisory Committee Minutes

Sean Lynn-Jones, Chair

Date: March 17, 2016

Present: Carla Benka, Clifford M. Brown, Carol Caro, Lea Cohen, John Doggett, Harry K. Friedman, Janet Gelbart, David-Marc Goldstein, Jennifer Goldsmith, Neil Gordon, Sytske Humphrey, Angela Hyatt, Janice S. Kahn, Steve Kanes, Bobbie Knable, Fred Levitan, Robert Liao, Pamela Lodish, Shaari S. Mittel, Michael Sandman, Lee Selwyn, Christine Westphal.

Absent: * Sean M. Lynn-Jones, Dennis Doughty, Amy F. Hummel, Alisa Jonas, Kelly Hardebeck, Charles Swartz, Stanley Spiegel

The meeting was called to order at 7:30 PM.

Also in attendance: Stephen Cirillo, Finance Director; David Geanakakis, Purchasing; and Gary McCabe, Chief Assessor; Melissa Goff, Deputy Town Administrator; Recreation staff Melissa Battite, Gerry Kelly, and Lisa Paradis, Recreation Director.

REVIEW OF FY2017 BUDGET: FINANCE DEPARTMENT

John Doggett presented the Subcommittee report and provided an overview of what each division within Finance is responsible for and offered highlights for each.

He noted there has been a change in accounting of credit card billing - they will now be centrally managed. This makes it seem that there is an increase but in reality the department is level funded.

Comptroller Division is responsible for maintaining and administering financial accounting and management information systems pertaining to all financial activities of the Town and School departments. There was a slight increase due to increase in MUNIS software license fees.

Assessor Division is responsible for uniformly and accurately valuing taxable (and non-taxable) properties and conducting assessments to ensure equitable property tax levies. FY17 budget is a maintenance budget. A data analyst was added in FY16 and is working out very well. He also particularly wanted to mention Dr. Harold Peterson of the Board of Assessors in celebrating his 25 years of service to the Board.

Purchasing Division is responsible for the negotiation of agreements that provide the Town with supplies, vehicles, IT systems - hardware and software, energy products, general insurance, and other items. The Department also manages the Town's printing and mailing functions (other than certain School Department items). Successfully negotiated fuel contracts resulting in great savings for the Town.

Treasurer-Collector Division is responsible for billing, collecting and investing Town funds, as well as disbursing monies owed to vendors, employees and retirees, and operating payroll functions.

Credit Card collections/billings now centralized here. While the Treasury Division budget appears to be increased by 22.9%, from \$1,026,350 in FY16 to \$1,261,184 in FY17 that this is due to the accounting changes related to centralizing credit card billings. In fact the true year over year comparison shows essentially a level budget.

Credit Card Consolidation by Department

The following budgets have been reduced and the Treasurer's budget increased accordingly:

Selectmen	\$ 5,000
Town Clerk	\$ 2,500 Addnl. \$1,000 over FY16 Budget (more licenses)
Planning	\$ 1,000
Police	\$ 12,000
Fire	\$ 800
Building	\$ 20,000
DPW	\$ 187,936 Addnl. \$27,936 over FY16 Budget (Addnl. Parking Meters)
Health	\$ 1,000
Total	\$ 230,236
Moved to Treasurer	\$ 230,236*

* Note: Services line change is \$230,335 comprised of \$230,236 + \$99 for copier lease

The Division expanded the number of departments that accept credit cards, successfully negotiated and signed a Payment In Lieu of Tax Agreement for properties located at 86 Dummer, 132 Carlton and 303 Boylston, completed phase 2 of the payroll system conversion from an external provider to an “in-house” operation, completed a MUNIS upgrade and expanded the ACH method for paying bills.

The subcommittee recommended budget \$3,171,822.

Stephen Cirillo, Finance Director commented that the AC is his favorite body and thanked members for their work. All accounts receivable and cash accounts are reconciled through February 29th.

Q. Payroll software – accrued sick time for new part time employees – the payroll system doesn't allow this to show up on their checks. Can this be fixed?

A. Anything can be done – our experience with MUNIS is that they will do anything for a price. It could happen but it would require us to get an appropriation through the IT department for programming to be done. IT will have to get in the queue.

Q. Can you explain how they determine the rate of return (ROR) in the Pension Fund?

A. I sit on the Pension Board and Chair OPEB (other post-employment benefits). The ROR is based on similar things. There is a calculation that is done that if you contribute x amount of dollars and if they increase over a certain period time you should be able to eliminate your liability. If you exceed the return you are closing the gap and getting to full funding faster. Or you can take your profits and step down on your ROR. If you go under, it puts pressure on it and you didn't earn enough money to lower the liability. It is important to estimate carefully. It would be good to slowly step down by 10 to 20 basis points, step down our estimated return, so that we will be somewhere at a ROR at 6 or 6.2% and that is very sustainable. When you lower the estimate ROR, you are increasing the burden on the operating budget over the next two years. It is important to make micro changes. Full funding is scheduled for 2030 and the law allows us to go to 2040.

Q. Has this has an impact on the investment policy?

A. No, it shouldn't have. Diversify and lower your risk as much as you can. Just gives you an opportunity to exceed your estimated ROR.

Q. I know you renegotiated the educational pilot agreements with some larger institutions?

A. The reason we renegotiated some of these pilots (we have 21) - some have long terms some have shorter terms (BU had 4 years) – we built into the agreement a timeframe that allows us to sit down before its termination and begin to renegotiate. Get some \$500,050 a year depending on use. \$800K+ a year – phasing up and may generate well over a million dollars a year. We also have five or six religious institutions that are signed up as well.

Q. Do you anticipate your successor will be the point person doing this going forward?

A. That is the current policy but you can't do it alone. I could not have done it without David, Gary and Joslin Murphy.

Q. Regarding the Verizon Tax Appeal – they paid the amount of the dispute and are seeking a refund? When paid it was booked as a revenue over many years. When they filed the suit ,what do you do then?

A. Gary McCabe replied that yes, Verizon paid and the case will be heard by the SJC on April 7th. We have it covered in the overlay account (potential liability) for all the previous years (5 years).

A MOTION was made and seconded to recommend approval of the FY2017 Finance Department budget including Treasury, Purchasing, Comptroller and Assessing Divisions of \$3,171,822.

Note: With a vote of 19 in favor, 0 opposed with 1 abstention, the Advisory Committee recommends approval of the FY2017 Finance Department budget of \$3,171,822 including Treasury, Purchasing, Comptroller and Assessing Divisions.

REVIEW OF FY2017 BUDGET: DEBT AND INTEREST

Debt service is the payment of principal and interest costs for long-term bonds issued by the Town for capital projects. These are contractual obligations for which there is no discretion in the amount to be repaid. Debt maturity terms vary.

Steve discussed the AAA Bond rating received just last week. The Town of Brookline is in strong financial condition, but all towns must work to strengthen their bond rating. Concerns about liquidity – your undesignated fund balance. We looked at this and asked, what can be done to change the fiscal policies which left a portion of our free cash undesignated for the following year? The Town's goal is to maintain 10% liquidity and is recommended by Moody's to maintain AAA rating.

This is important because we currently have \$70M in debt but in the next few years we will likely borrow significantly more money for the Devotion School and possibly the High School. In the next 4-5 years we could have upward of \$400M in debt. Don't want to step down your bond rating in these circumstances.

Q. How nervous do bonding agencies get? Have we ever been over the limit?

A. No you have to think differently when you are a bond rating agency; they think it is a sign of good financial health if a community is willing to accept a debt override and exclusions. The rating is on the website. Debt level anticipated (\$400M) could only occur if there were debt exclusions.

Q. On the 25 year bonds, what are we paying in interest?

A. \$24.8M borrowed on Tuesday, first \$10M of the Devotion School. 3.45% coupon, the actual rate 2.7% but the annual coupon was an average of 3.4% but first few years will be 4%. This allows them to sell the debt in chunks.

Q. Are we rated by more than one agency?

A. No, only Moody. Steve noted that he has a relationship with Standard and Poor so Brookline has stayed with Moody. After he leaves, the Town may do what it wishes.

A MOTION was made and seconded to recommend approval of the Debt and Interest budget of \$10,742,938.

Note: With a vote of 21 in favor, 0 opposed with 0 abstentions, the Advisory Committee recommends approval of the FY2017 Debt and Interest budget of \$10,742,938.

REVIEW OF FY2017 BUDGET: UNCLASSIFIED

A note from Stephen that the general Insurance budget will go up as there will be a rippling effect if going forward with certain projects (Devotion, High School). The Cost of insurance will increase with the new development.

MMA hosted a workshop on the JLMC and it was very helpful to hear that unions are going right to arbitration right away because they think they can make a deal rather than at the bargaining table. See the MMA as being part of changing this.

Q. What do we get from participation in Mass Municipal Association (MMA)?

A. Get a tremendous value from them. Fortunate to have in the next fiscal year our Town Administrator will be the President of MMA. MMA submits proposals for legislative changes that are financial and non- financial. Goes through a variety of committees and presented to the Governor to consider.

Changes in Chapter 70 that MMA is advocating for, trying to address the underfunding of education, special education in particular.

A MOTION was made and seconded to recommend approval of the Unclassified budget of \$3,248,330.

Vote: With a vote of 20 in favor, 1 opposed with 1 abstention, the Advisory Committee recommends approval of the FY2017 Unclassified budget of \$3,248,330.

REVIEW OF FY2017 BUDGET: SELECTMEN

Q. What is the revenue?

A. Miscellaneous licensing.

A MOTION was made and seconded to recommend approval of the Selectmen's FY17 budget of \$677,893.

Vote: With a vote of 18 in favor, 1 opposed with 0 abstentions, the Advisory Committee recommends approval of the FY2017 Selectmen's budget of \$677,893.

REVIEW OF FY2017 BUDGET: RECREATION DEPARTMENT OPERATING

Carla presented the findings of the Capital Subcommittee on all Recreation Department Budget request.

The Recreation Department is divided into three funds –

Slight decrease mostly because a vehicle was purchased last year and will not be purchased this year and in utilities.

Q. I thought the crowd funding initiative was very clever. Was the \$20K your goal?

A. Yes our actual total was \$21K and change.

Q. I think it is innovative, but what process did you have to go through that – what would happen if all town departments were to do this sort of initiative, what are the boundaries?

A. Through the National Parks and Recreation program – a national program and they expanded to include facilities. We have a designated fund through Friends of Brookline Recreation.

Melissa clarified that the town, different departments do get gifts on a smaller scale, the Korean Church for example gives a gift to the Fire Department each year.

Q. Not too different than fund raising that was done Dancing with the Stars. Schools don't do it.

REVIEW OF FY2017 BUDGET: RECREATION DEPARTMENT REVOLVING

There is an Overall increase of \$101,990 (3.5%) the detail of which is broken down in the subcommittee report.

The Cost Recovery Program is in its fourth year. Of the 400+ services provided by the department, 5 of those generate the majority of the revenue and include summer camps and Soule Early Childhood Education program. The Rink revenue projection is \$161,768 and based on actuals seems to be on target.

Pool operating costs are in both the General Fund and the Revolving Fund.

Q. Has the expanding number of kids in town impacted Soule?

A. We are licensed for 72 slots and that is what we have now. We have raised tuition rates 60% over last three years. We are 10% off market value at this point.

Q. Why are early childhood departments (Recreation and Public Schools) separated?

A. This particular service has been offered by Recreation for better than 6 decades, different than the BEEP program. It is full time year round – open at 8am close at 6pm. We are at 100% cost recovery and there has been no reason to consolidate. Intermingling of policies and trainings but it has been well received and we have a good and unique curriculum. School and Town have decided they are good where they are.

Q. 60 years of history don't mean that departments can't change.

A. We are doing it because we do it well. Reggio Emilia and Montessori program.

Q. Is there an opportunity to save costs by combining some administrative things?

A. This is a more traditional day care program, serving unique constituency – BEEP does not operate fully in the summer. Also School and Town funding streams are different.

Q. I agree that because the Schools and Town have separate budgets you can consolidate the administration of this, question whether Parks and Rec should be running what is an essentially educational program.

Q. I notice you have a therapeutic recreation specialist, is there any coordination with the Town and/or School psychologist and services?

A. We have a lot of collaborative efforts with the School system – summer, afterschool, etc. We work with the Schools special ed department; mentor and career counseling program for kids 19-23 – one example of collaboration with the School Department.

Q. Is there enough in the budget to provide scholarships to make the programs inclusive?

A. The rec therapist is covered by tax dollars. Not just in the inclusion section but in general our scholarship expense is over \$100,000 up from \$85K last year. We make it work and it is one figure we factor into our fee adjustments.

Q. Do you think we need to do more outreach to constituents whose first language is not English and/or other families in economic need?

A. Think the staff does an excellent job – open house, look for groups or organizations where we can do our outreach (in house road show) we speak with Guidance Counselors to let them know about Summer Camps and how to access financial aid; we make ourselves available and have many good partnerships Steps to Success, Brookline Mental Health Services, Women and Girls Thriving (a program funded partially by the Brookline Community Foundation and Brookline Mental Health – reaching out to low-income women and girls and getting them engaged in the community and growing their leadership skills)

Q. What is the waiting list?

A. We see a lot of movement this time of year – nothing like it was two years ago and surely less than 100.

Comment: Plug how wonderful the Special Olympics Program. There is a basketball tournament at the High School this weekend.

Q. People move through the mentoring programs –start at summer camps then move through other programs throughout town and may eventually become regular staff in other departments. Is there any way to get numbers about the diversity of counselors?

A. We may be able to gather that data, but not sure how part time and temporary staff report this information. The new paperwork has a box to check for self-reporting. Recreation is a thread that weaves its way through a Brookline families life – people who are on swim team, become counselors, go to school and come back to work for us. It is part of the fabric of the community.

REVIEW OF FY2017 BUDGET: GOLF ENTERPRISE

Q. What is the anticipated income for driving range?

\$175K for FY 17, anticipated opening is July 1. Feel this is on the low end for a full year, would like to see more towards \$250K. The driving range will not be operated at night.

Q. Does the revenue include money from the Grill?

A. They pay us a leasing fee each year.

Q. What about the parking lot? Does the leasing also come in that line?

A. It is coming to an end, only used over the winter.

Q. Where are trees going to be replanted that were displaced by the building of the range? How was the decision made to build?

A. Three years of planning, a year of public process and meetings. There won't be trees replanted in the driving range but planted along the perimeter – trees and landscaping to where the T box starts.

Q. Numbers at odds on page IV-118? Is benefits line correct?

A. Melissa will double check the figures. \$182 is inclusive of the \$110.

Q. Requested that in the future you include the number of non-resident rounds played. Why not differentiate pricing for resident versus non-resident?

A. We just two years ago went up on pricing, and made the fees equal for non-residents and residents.

Q. Do you have comparable figures for the Pool and the Rink?

A. Our rink numbers are over 60% for non-residents.

Q. Why is this done at the rink and not at the golf course?

Comments – we don't prohibit people from using our parks who are not from Brookline. We don't have a litmus test for whether you are a resident or not. We have to consider some resources as a regional resource.

I think it is important that we differentiate. If 80% come out of town maybe we should have a space meeting and make a soccer field instead. Is it the best use of that property?

To the extent that you are going to have this conversation that you are on the top of the market and can't raise fees, philosophically why wouldn't you differentiate if you reach a point when there is headroom if you could.

We will be at that point next year, we are investing the kind of money and resources and we will know what we can get. We will be able to raise fees for non-residents.

Pierce School has tried to book an event at the Rink, only to find it was already booked by a private school. How does that happen so we know that the kids who live in Brookline get to use the resources that are in their town?

We get more than we give in terms of our partnerships with private entities. – we have a partnership with them and share resources. This is the only time that the Park School can do this event and happy to talk about this off line.

Q. Does the Park School have a pilot agreement with the Town? This is something we should look into with the Assessor’s Department.

A. We have done pilots with places that we could – negotiated one quite successfully with Beaver Country Day.

We capture information by zip code and can manually differentiate by street. We have the data that tells us what percentage is resident and nonresident. We will use this data to determine different greens fees in the next few years when conditions warrant.

The US Open is going to use the Country Club extensively for the 2022 event. It will be a gain for the Town. We are negotiating with the USGA. The Country Club has its own agreement with USGA. They would use the golf course to put up merchandise tents – we don’t know specifically what that will look like. We will not incur any revenue loss and we have calculated what is expected.

Q. Is this an issue that will come to Town Meeting for vote?

A. We have already entered an MOU (Memo of Understanding) with the Selectmen.

Q. Is it fair to say that if this happens any improvements they make the golf course will be put back the way it was before if not better, and we won’t lose revenue even if residents cannot use the golf course.

A. Yes.

Q. Can you say they won’t be parking on the grass at Larz Andersen?

A. A meeting is scheduled for next week about this.

Comment: Hope the dollar value will take into account hidden costs, serious costs to the residents. Good will and advertising is less important than more money and quality of life.

A MOTION was made and seconded to recommend approval of Recreation Department FY17 budget of \$ 989,764.

Vote: With a vote of 20 in favor, 1 opposed with 1 abstention, the Advisory Committee recommends approval of the Recreation Department's FY2017 budget of \$989,764.

Next Meeting: The next meeting of the Advisory Committee will be on March 22nd

Upon a MOTION made and seconded and voted unanimously, the meeting adjourned at 10:01pm.

Documents Presented at Advisory Committee Meeting:

1. A&F SUBCOMMITTEE REPORT ON FINANCE DEPARTMENT FY17 BUDGET
2. A&F SUBCOMMITTEE REPORT ON FY17 SELECTMEN, AC, UNCLASSIFIED FY BUDGETS
3. CAPITAL SUBCOMMITTEE REPORT ON FY17 RECREATION BUDGET