

BROOKLINE ADVISORY COMMITTEE
Administration and Finance Subcommittee
Report on Warrant Article 3

The Administration and Finance subcommittee of the Advisory Committee met on April 12, 2016, for a discussion, public hearing, and vote on Article 3, submitted by the Town Treasurer/Collector:

To see if the Town will authorize the Town Treasurer, with the approval of the Selectmen, to enter into Compensating Balance Arrangement(s) for FY2017 in accordance with General Laws Chapter 44, Section 53F, or act on anything relative thereto.

Attending were A&F subcommittee members John Doggett, and Neil Gordon, and Melissa Goff, Deputy Town Administrator.

RECOMMENDATION: By a vote of 2-0-0, the Administration and Finance subcommittee recommends a vote for FAVORABLE ACTION on Article 3.

BACKGROUND:

Favorable Action on Article 3 would authorize the Town Treasurer, with the approval of the Selectmen, to enter into compensating balance agreements for FY2017 in accordance with General Laws Chapter 44, Section 53F. These agreements would allow the Town to maintain specified amounts of non-interest bearing deposits, in exchange for the reduction or elimination of cash payments for bank services.

DISCUSSION:

The proposed Town budget assumes that the Town's funds are invested in interest bearing accounts, and that banking services are paid for in the ordinary course. This authorization gives the Treasurer the authority to negotiate a reduction or elimination of fees for services, in exchange for deposits or Town funds in non-interest bearing accounts. Compensating balance agreements add value when the savings in fees more than offsets the loss of interest income, and are a valuable cash management tool. Town Meeting has authorized these arrangements since the mid-1980s.

BROOKLINE ADVISORY COMMITTEE
Administration and Finance Subcommittee
Report on Warrant Article 5

The Administration and Finance subcommittee of the Advisory Committee met on April 12, 2016, for a discussion, public hearing, and vote on Article 5, submitted by the Board of Selectmen:

To see if the Town will, in accordance with General Laws, Chapter 44, Section 64, authorize the payment of one or more of the bills of the previous years, which may be legally unenforceable due to the insufficiency of the appropriations therefore, and appropriate from available funds, a sum or sums of money therefore, or act on anything relative thereto.

Attending were A&F subcommittee members John Doggett, and Neil Gordon, and Melissa Goff, Deputy Town Administrator.

RECOMMENDATION: The Administration and Finance subcommittee by a vote of 2–0–0 recommends a vote of NO ACTION on Article 5.

BACKGROUND:

General Laws, Chapter 44, Section 64, requires the specific appropriation of funds for the payment of bills from a prior fiscal year.

DISCUSSION:

The Town has not identified any unpaid bills from a prior fiscal year.

BROOKLINE ADVISORY COMMITTEE
Administration and Finance Subcommittee
Report on Warrant Article 7

The Administration and Finance subcommittee of the Advisory Committee met on April 12, 2016, for a discussion, public hearing, and vote on Article 7, submitted by the Board of Selectmen:

To see if the Town will:

- (A) Raise and appropriate or appropriate from available funds a sum of money to operate the Golf Enterprise Fund in the fiscal year 2016 budget;
- (B) And determine whether such appropriations shall be raised by taxation, transferred from available funds, provided by borrowing or provided by any combination of the foregoing; and authorize the Board of Selectmen to apply for, accept and expend grants and aid from both federal and state sources and agencies for any of the purposes aforesaid.
or act on anything relative thereto.

Attending were A&F subcommittee members John Doggett and Neil Gordon, Lisa Paradis, Recreation Department Director, and Melissa Goff, Deputy Town Administrator.

RECOMMENDATION: The Administration and Finance subcommittee by a vote of 2–0–0 recommends a vote of FAVORABLE ACTION on Article 7, in the amount of \$200,000.

BACKGROUND:

The purpose of this article is to make any year-end adjustments to the current year (FY16) budget for the Golf Enterprise Fund. The Driving Range at the Golf Course is in the process of being constructed, financed in part through bonded borrowings authorized by a prior Town Meeting. It is anticipated that the Golf Enterprise Fund will have available fund balance, and a private donation, that will lessen the need to use long-term borrowing to fund the project. A Bond Authorization Notice (BAN) was issued in March in order to delay the borrowing on a long-term basis, to have a better understanding of what funding would be needed. The determination of outside funding and available fund balance should be known by the time of Town Meeting. This article allows the Golf Enterprise Fund to use this

identified fund balance to pay for a portion of the obligation in lieu of borrowing long-term for the project or for other outstanding obligations.

DISCUSSION:

Ms. Paradis is requesting approval to increase the spending authority for the Golf Enterprise Fund by \$200,000 to pay for the Driving Range Project. The revenue source for this increase will be a portion of the retained earnings of the Fund. Last year's retained earnings balance was \$367,849. It is also anticipated that the USGA will be contributing funding to be used for this project, but final agreements are not yet in place. This action is needed to pay for ongoing construction costs in lieu of borrowing pursuant to the \$1,000,000 bond authorization previously approved by Town Meeting. The Committee discussed the transaction and whether this action would result in additional expenditure over and above the approved loan amount, but were assured by Ms. Paradis that this action is entirely contained by the Enterprise fund, would not involve or impact the General Fund and was planned to reduce the ultimate borrowed principal and interest amounts accordingly.

BROOKLINE ADVISORY COMMITTEE
Administration and Finance Subcommittee
Report on Conditions of Appropriation Hearing (Warrant Article 8)

The Administration and Finance subcommittee of the Advisory Committee met on April 12, 2016, for a discussion, public hearing, and vote on the Conditions of Appropriation for Warrant Article 8.

Attending were A&F subcommittee members John Doggett and Neil Gordon, and Melissa Goff, Deputy Town Administrator.

RECOMMENDATION: The Administration and Finance subcommittee by a vote of 2–0–0 recommends a vote of FAVORABLE ACTION on the Conditions of Appropriation contained in WA 8 except for one Special Appropriations item 41 for bicycle access and possible final budget number and condition changes.

BACKGROUND: Warrant Article 8 is the annual appropriations budget for FY17. Included in this omnibus budget article are operating budgets, special appropriations, enterprise funds, revolving funds, and conditions of appropriation. This is the culmination of work that officially began with the publication of the Town Administrator's Financial Plan on February 16th. The proposed budget has since been reviewed by numerous sub-committees of the Advisory Committee, the full Advisory Committee, and the Board of Selectmen. The vote ultimately recommended to Town Meeting is offered by the Advisory Committee.

DISCUSSION: The hearing discussion on the Conditions of Appropriation of WA 8 is a new item this year for the Subcommittee to address. Each item of the eight page document (attached) was reviewed. It was noted that the document was still in flux and there would likely be some "tweaks" to budget numbers of some items as well as some conditions, as discussions and hearings had still to occur.

Special Appropriations item 41 \$36,000 for bicycle access improvements was discussed in detail by the Subcommittee, as to whether or not a condition should be recommended to be added. This discussion led to a wider discussion by the Subcommittee as to the goal of hearing the Conditions of

Appropriations, the timing of this hearing and whether this was duplication of effort as most if not all the Conditions of Appropriation items were heard and discussed by other subcommittees.

The Subcommittee concluded that, despite some considerable overlap with other subcommittees, perhaps a hearing the Conditions of Appropriation was a useful “safety net”, a second chance, for the public to raise concerns or comments about specific item amounts or conditions.

On timing, the Subcommittee felt holding a hearing as close to the end of the budget process as possible was appropriate. In terms of duplication of effort, the Subcommittee felt that it should review all items and conditions and just note any comments or proposals about amounts or conditions, rather than have an in depth discussion, which is more appropriately held in the other subcommittees.

Consequently, Special Appropriations item 41 which is still being actively considered by the Capital Subcommittee for applicable conditions, was excluded from the motion to approve the Conditions of Appropriation as a whole.