

BROOKLINE ADVISORY COMMITTEE
Administration and Finance Subcommittee
Report on FY2022 Advisory Committee Budget

The Administration and Finance Subcommittee held a virtual public hearing on Friday, February 26th, 2021 to review the Select Board budget. In attendance were Harry Bohrs, Dennis Doughty, and Neil Gordon for the subcommittee; Mike Sandman, Advisory Committee Chair; Melissa Goff, Deputy Town Administrator; Justin Cassanova-Davis, Assistant Town Administrator; Jeana Franconi, Finance Director; John Von Scoyoc, Select Board member; and Devon Fields, Administrative Services.

The proposed operating budget information appears in section 4F, pp. 4.26 to 4.29 in the FY-2022 Financial Plan.

RECOMMENDATION

By a vote of 3-0-0, the Administration & Finance Subcommittee recommends including funding of \$29,007 for the Advisory Committee in the fiscal year 2022 budget.

Discussion

The proposed 2022 budget is exactly the same as FY21 and is comprised almost entirely of salary for the Executive Assistant and a modest budget for supplies.

The only discussion topic of note was whether the Advisory Committee support staff (i.e., Lisa) might be asked to provide additional support for the new Moderator, who by definition will not arrive with the resources of a large, prestigious law firm behind her or him. This question is currently unanswered but is something to explore with the new Moderator after the election.

BROOKLINE ADVISORY COMMITTEE
Administration and Finance Subcommittee
Report on FY2022 Finance Department Budget

The Administration and Finance Subcommittee held a virtual public hearing on Friday, February 26th, 2021 to review the Finance Department budget. In attendance were Harry Bohrs, Neil Gordon, and Dennis Doughty for the subcommittee; Jeana Franconi, Finance Director; David Geanakakis, Purchasing; Michael DiPietro, Comptroller; Rachid Belhocine, Acting Chief Assessor; Melissa Goff, Deputy Town Administrator; Justin Cassanova-Davis, Assistant Town Administrator; John Von Scoyoc, Select Board member; and Devon Fields, Administrative Services.

The proposed operating budget information appears in section 4D, pp. 4.15 to 4.22 in the FY-2022 Financial Plan.

RECOMMENDATION

By a vote of 3-0-0, the Administration & Finance Subcommittee recommends FAVORABLE ACTION on the Finance Department budget as submitted (\$3,393,197).

Discussion

The proposed 2022 budget shows an increase of \$9,765 (0.29%) over the FY21 budget. Salary expenditures increase by approximately \$29,000 due to steps. Software maintenance costs increase by 3.65%. There is also a \$30K decrease in services, reflecting funds which were allocated for the disparity study in FY21. In other words, a generally level-funded budget.

At this time last year the department was completing deployment of deed-reading software which is now fully deployed. The department is happy with it. However, as the Registry does now offer software interfaces, the department is exploring moving the automation in-house which may eventually result in a reduction of the now \$16,000 per year this automation costs.

Special attention should be paid to the budget item labeled “credit card service charges.” As this line item was over \$750,000 less than 10 years ago, and over \$200,000 last year, it is nice to see it below \$150,000 now. It now reflects less of a “credit card” surcharge and mostly reflects the fees charged by Passport Parking for mobile payments (\$0.15 per pay-by-cell transaction). It is a Select Board decision whether to pass this along directly and explicitly to the consumer or indirectly through the setting of the parking meter rate. In any case, the committee suggests renaming this budget item to better reflect it as a parking meter program expense.

Our funds remain well-managed. The Stabilization Fund is continues to be conservatively invested, 50/50 in equities vs. fixed-income securities. The Pension Fund is subject to different requirements, is managed more aggressively, and earned a 12.5% rate of return for 2020. The Town continues to revise the assumed rate of return for the Pension Fund

downward (now to 7.0%) and continues to keep to its 2030 schedule of eliminating our unfunded pension liability.

The Town sold \$167M of bonds two weeks ago, at a rate of 1.835%, our lowest ever. In addition, the Town “refunded” (i.e., refinanced) debt for Runkle and for the golf course, saving \$800K in interest over the remainder of these loans and “freeing up space within the levy.” It should be separately noted that due to substantial building programs, we should expect our insurance costs to go up because the value of our properties is that much higher.

As first predicted by the Purchasing division last year, our incredibly good luck in fuel contract pricing appears to be running out. The local fuel co-op is nervous about rising prices; Mr. Geanakakis may have newer news by the time of the full Advisory Committee meeting.

Mr. Geanakakis discussed a proposed “disparity study,” which has been seed funded with \$30K. A full study will cost \$250K, and could allow us to do a sheltered market program, carefully crafted to comply with the law. Mr. Geanakakis is working with Newton, Cambridge and Somerville on this, exploring commonalities. He also noted that compliance requirements would impact all departments, i.e., it’s not just “purchasing.” Subcommittee members noted that the objective of diversifying our vendor base could, in the interim, be partially satisfied through broader outreach, and engagement with a wider community of potential vendors, specifically minority- and women-owned businesses. This is similar to the charge given by the Chair of the Select Board as the Town seeks candidates for open positions, i.e., “Reach out broadly and widely.” The impact might be modest, but improved outreach is low cost, doesn’t require RFPs, and doesn’t require navigating complex legal and regulatory issues.

BROOKLINE ADVISORY COMMITTEE
Administration and Finance Subcommittee
Report on FY2022 Select Board Budget

The Administration and Finance Subcommittee held a virtual public hearing on Friday, February 26th, 2021 to review the Select Board budget. In attendance were Harry Bohrs, Dennis Doughty, and Neil Gordon for the subcommittee; Melissa Goff, Deputy Town Administrator; Justin Cassanova-Davis, Assistant Town Administrator; Jeana Franconi, Finance Director; John Von Scoyoc, Select Board member; and Devon Fields, Administrative Services.

The proposed operating budget information appears in section 4A, pp. 4-1 to 4.4 in the FY-2022 Financial Plan.

RECOMMENDATION

By a vote of 3-0-0, the Administration & Finance Subcommittee recommends including funding of \$822,810 for the Select Board budget in the fiscal year 2022 budget.

Discussion

The proposed 2022 budget shows a decrease of \$36,919 over the FY21 budget, reflecting steps increases for staff which were more than offset by a substantial decrease in Professional/Technical Services from FY21 (which budget included \$50K of work for the Police Reform Committee).

The Subcommittee continues to believe that the Select Board (which from a budget perspective is really “Town Administration”) continues to be understaffed. This was highlighted by BFAC and was the subject of a recommendation from this Subcommittee last year. Nevertheless, a part-time position within the Select Board office that was removed in FY21 remains un-budgeted in FY22. (Some potential good news: Advisory Committee reforms should reduce some of the burden on Ms. Goff.)

Some accomplishments of note in FY21 include:

- The Cannabis Coordinator position is filled.
- Boards and commissions software — software to help manage membership, swearing in, annual requirements, ethics training, and the like — has been selected and is being implemented this year, helping to address (as one committee member put it) “that age-old question where we don’t know who’s on a board and the page hasn’t been updated since 2016.”
- With the IT Department, streamlining of licensing and permitting, including moving more of the process online.

Not accomplished in FY21: a permanent replacement for the open CIO position.

BROOKLINE ADVISORY COMMITTEE
Administration and Finance Subcommittee
Report on FY2022 Unclassified Budget

The Administration and Finance Subcommittee held a virtual public hearing on Friday, February 26th, 2021 to review the Unclassified budget. In attendance were Harry Bohrs, Neil Gordon, and Dennis Doughty for the subcommittee; Jeana Franconi, Finance Director; David Geanakakis, Purchasing; Michael DiPietro, Comptroller; Rachid Belhocine, Acting Chief Assessor; Melissa Goff, Deputy Town Administrator; Justin Cassanova-Davis, Assistant Town Administrator; John Von Scoyoc, Select Board member; and Devon Fields, Administrative Services.

The proposed unclassified budget information appears in section 4X, pp. 4.143 to 4.146 in the FY2021 Financial Plan.

RECOMMENDATION

By a vote of 3-0-0, the Administration & Finance Subcommittee recommends FAVORABLE ACTION on the \$8,013,255 of Unclassified items in the FY 2022 budget as submitted.

Discussion

The proposed 2022 unclassified budget shows an increase of 11.32% over the FY21 budget. Most items are unchanged year-over-year; with a few notable exceptions:

	FY20 Actual	FY21 Budget	FY22 Budget	Variance	% Variance
SALARIES	38,360	34,000	34,000	0	0.00%
SERVICES	105,102	241,895	249,895	8,000	3.20%
SUPPLIES	773	4000	1000	(3,000)	-300%
OUT-OF-STATE CONFERENCES	1,276	0	0	0	0.00%
PROFESSIONAL DUES/MEMBERS	13,226	13,891	14,241	350	2.46%
PROPERTY INSURANCE	506,914	703,507	883,358	179,851	20.36%
RESERVE FUND APPROPRIATIO	850,000	3,620,855	3,829,013	208,158	5.44%
SELECTMEN'S CONTINGENCY	61,069	10,000	10,000	0	0.00%
INTERFUND TRANSFERS OUT	589,700	2,477,763	2,991,748	513,985	17.18%
Total	2,166,420	7,105,911	8,013,255	907,344	11.32%

Property Insurance: Increases (again) by almost \$200,000. This this is the second year of a three year process of us raising the valuations on school buildings from \$30M to \$100M+. Note that as the two new buildings at the high school and two new bridges come on line, valuations will increase, accordingly.

Stabilization Fund: The FY21 budget allocates \$2,900,000 to the Stabilization Fund as per the BFAC recommendation, restoring this fund to its 10% (of revenues) mandate.

Other funds are budgeted according to their policies, with the exception of the **Reserve Fund**, which is receiving an extra \$1M in FY22 as a COVID contingency.

It should be noted that the Budget book includes charts and graphs which show the historical funding for each of the funds but an easily understood visualization of the funding waterfall remains beyond our grasp.