

2019 Brookline Fiscal Advisory Committee Financial Forecast Subcommittee
Monday, Mar. 11th, 2019 6:00 PM, Room 310, Town Hall

Members Present: Jeff Rudolph, Nathan Shpritz, Paul Saner, Mini Kolluri

Public present: None

Meeting Notes:

The sub-committee started with reviews of two initial simple integrations of adding modeling tabs and information into the excel spreadsheet that Deputy Town Administrator Melissa Goff maintains. This was building off of the decision in the prior meeting to focus on pulling in only SUMMARY data, and not attempting to update Melissa's entire spreadsheet.

The first model to be reviewed was built by Jeff. He created a new SUMMARY tab and interlaced rows that Melissa had created with rows that he had created. The rows Melissa had created were just linked back to her original SUMMARY tab. The rows Jeff created copied the column data from 2019, but then were adjusted based on either a percentage or a dollar amount (positive or negative) year over year from 2020 to 2038. He created cells for the user to enter these values in yellow. The rows could be toggled on and off based on macro buttons Jeff created on the new SUMMARY tab sheet. The intention was allow for quick comparisons between each row, but also a way to remove both sets to make it easier to only see BFAC modeling. Jeff's model did not allow for a way to vary the year to year delta by year, only a single value for the delta every year. For instance in Jeff's model Motor Vehicle Excise tax could be modeled to go up 2% every year, but would not allow someone to model it go up 1% in 2020, 2% in 2021, 3% in 2022, etc.

The second model to be reviewed was built by Nathan. He took a similar approach in that he took a copy of Melissa's data and created a second SUMMARY tab. However then he created two additional new tabs - Expenditure Assumptions and Revenue Assumptions. On each of these tabs he created a copy of either expenditures or revenues, and then allowed the user to update either by percentage or by dollar all of the values in the out years out to 2030.

The group decided that we were not going to model FY 2020 considering that the budget had already been created and published for next year. The group planned on using the data from Melissa and then start any modeling in 2021. He then linked these values back to his new SUMMARY tab to see everything together. Nathan highlighted cells in different colors to indicate what was able to be modified by the user (blue) and what was a copied over or calculated value (brown.)

The group decided after looking at both models to use Nathan's as the new base, as the ability to enter year by year values was definitely more desirable. During the discussion of the data, a few key points and questions were raised. First, the model should have the ability to increase values either by dollar or by percentage. Second, that we need a deeper understanding of where the free cash numbers come from. Third, the most important areas we want to tackle (in

no particular order) were schools, the CIP, personnel costs across the board (FTEs by department would be very useful), and modeling financial policies including the CIP policy, reserves policies, and fiscal policies. To divide up the work Jeff volunteered to look at the CIP, Mini fiscal policies, and Nathan the schools. Nathan mentioned that he would re-review Beth Jackson Stram's model from the 2015 OSC.

The group concluded by discussing that ultimately we will want to see as part of the models ten years worth of balance sheets, income statements, and cash flow statements. There was to be a general GAAP presentation and discussion in the following meetings. Future meetings were set to be 3/25 and 4/8 at 6:00p.